



Annual Report

2015



ICT



TRADING



JOINT VENTURE



TECHNOLOGY



GROWTH  
STRENGTH  
SUSTAINABILITY

SERVICE



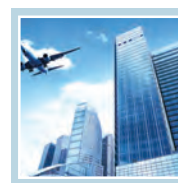
PROJECT



Loxley Public Company Limited

## VISION

**Inspired Choice for Customers,  
Business Partners and Investors**



## MISSION

1. We seek to provide greater value in products and services to ensure complete customer satisfaction.
2. We strive to keep ahead of market changes and foster a climate of business innovation.
3. We seek to maintain our leadership in the area of information technology for our business progress.
4. We seek to continually strengthen our financial and human resources.
5. 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 76 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 76-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**

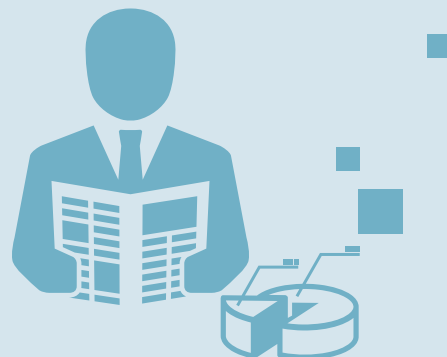
Most of the Company's imported products, which included machines, electrical appliances, and motors, were from England. Later, various categories of products were imported from Asian and other western countries, such as motors from Japan, cosmetics from Korea, Olivetti typewriter from Italy. The Company's 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



Last year, indeed, was another Year of Challenge as the result of financial and economic impact and global political conditions. Loxley Group, too, had to face such challenges albeit the Company could stand its ground and steadfastly carried on its work with the determination to stride incessantly forward towards development.

To have a variety of businesses in its portfolio is considered the Company's strong points which can be seen from its performance last year. While the Technology business segment consisting mostly of project works were affected by the overall work volume, Trading, Service and Joint Venture business segments, on the other hand, continued to grow. In 2015, Loxley Group generated a revenue of Baht 11,472 million with a net profit of Baht 210 million.

With 77 years of operation in the business world, Loxley Group continues today with the determination to achieve development in every aspect of its work. We continue to focus on seeking opportunities for new businesses and in getting ourselves well-prepared and better equipped to meet not only the requirements of the public sector's investment plans but also such financial and economic

changes as well as changes in other areas like the Environment. We are confident that, by conducting our businesses with prudence and by getting well-prepared for changes, be they in the economic, financial and social areas which are cropping up all the times, we stand ready, indeed, to achieve growth on a sustainable basis.

Beside this determination towards business development, Loxley Group also gives great importance to Good Corporate Governance and accountability to stakeholders of all groups with full recognition of its responsibility to Society and the Environment.

On behalf of the Board of Directors, may I take this opportunity to thank everyone – our shareholders, investors, business allies, customers and all stakeholders for their continuing good support for our work. Thank you, too, to all executives and employees for their devotion to hard work throughout the years. I am confident that, with Loxley Group's existing potential and the strength of support from all of you, Loxley Group will always move forward to attain a stable prosperity.

A handwritten signature in blue ink that reads "P. Lamsam". The signature is fluid and cursive, with a horizontal line underneath the name.

(Mr. Pairote Lamsam)  
Chairman of the Board

# ACTIVITIES IN 2015



**Loxley Public Company Limited**, in conjunction with BYD Auto Industry Co. Ltd. from China, introduced the K9 Electric Bus and EC Electric Car for commerce for the first time in Thailand in response to the Government's policy to promote use of electric vehicles.



**Learning Media** Division held a press conference on the 15<sup>th</sup> Anniversary of the Computer and Internet Club for the Elderlies or OPPY as well as introducing the latest "OPPY" Life Brand which was set up to act as if it is the elderlies' children/grandchildren who are looking after them in every aspect of life.



**Loxley Public Company Limited** together with executives from CAE and VSTEP signed the Agreement of Co-operation in the Total Simulating Training on Emergency and Life Saving Services for the first time in Thailand.



**Loxley Public Company Limited** welcomed high-level executives from BlueScope Buildings led by Mr. Bob Moore, Chief Executive, GBS Lead Team with a welcome dinner on their visit for an annual meeting in order to nurture good interrelations.



**Loxley Public Company Limited** participated in the signing of the Memorandum of Agreement on Personnel Building and Development in areas of Engineering, Sciences and Technology, Arts, Communications, Business Administration and Accounting with Rajabhat University of Nakhonpathom in order to reinforce learning aptitudes for students and to get them ready to effectively enter the labour market.



**Loxley Public Company Limited** participated in the signing of the Memorandum of Agreement on "Project of Development on Geo-Communications ensuing from His Majesty the King's Visualization" with the Office of the Special Committee for the Co-ordination of Projects ensuing from His Majesty the King's Visualization.



**Loxley Public Company Limited** participated in the signing of the Memorandum of Understanding on the Community Solar Generating Plant for Alternative Energy with the Electricity Generation Public Company Limited or the EGCO Group to conduct feasible studies on development of the Solar Power Generating Plant Project.



**Loxley Public Company Limited**, in conjunction with Federa-Mogul Motorparts Corporation and Parts Zone (Thailand) Co. Ltd. held a press conference on investment in Parts Zone (Thailand) Co. Ltd. for the distribution of car spare parts and technical equipment and tools in Thailand at Loxley Building – Klongtoey.



**Loxley Public Company Limited** signed in the Distribution Agency Agreement of SP Tool Products in AEC countries with SP Tools manufacturer from Australia to act as its formal distributor in the Asia-Pacific Region.



**Loxley Public Company Limited** together with the Charoen Phokkaphand Affiliation, Central Group, Sahaphat Group and Thai Beverage Company participated with the Ministry of Commerce in the “Stretching Out Brotherly Hands to our Younger Brothers Project” to help support SME operators in expanding their export markets on a sustainable basis.



**Loxley Public Company Limited's** Chemical Products Group, together with Hindalco Industries Limited set up an exhibit booth for their Special Aluminas chemical products in the ASEAN Ceramics 2015 EXPO at BITEC Conference Centre, Bangna.



**Loxley Public Company Limited** presented its congratulations to the team of para badminton players under Loxley's support on the occasion of Mr. Watcharapol Wongs, Boxia sportsman receiving the award of the 2014 Excellent Para Sportsman from the Association of Sports Reporters of Thailand.

# FINANCIAL SUMMARY

## Loxley Public Company Limited and Its Subsidiaries

Unit : million Baht

Item	2015	2014	2013
Total Revenues	11,660.07	14,743.46	15,223.57
Net Profit	209.92	352.51	590.27
Earning Per Share (Baht)	0.09	0.16	0.28
Total Assets	14,282.99	13,765.07	13,330.06
Total Liabilities	7,689.58	7,353.76	7,941.27
Paid – up Shares	2,264.95	2,264.95	2,099.95
Share Par Value (Baht)	1.00	1.00	1.00
Shareholders' Equity	6,593.41	6,411.31	5,388.79
Dividend Per Share (Baht)	NA	0.10	0.10
Dividend to Net Income Ratio (%)	NA	64%	34%

## Summary of 2015 operating results of Loxley Public Company Limited and its subsidiaries :

<b>Assets :</b>	Total assets as at December 31, 2015 amounted to Baht 14,282.99 million was higher than 2014 Baht 13,765.07 million or 3.76%
<b>Shareholders' Equity :</b>	Shareholders' equity as at December 31, 2015 amounted to Baht 6,593.41 million was higher than 2014 Baht 6,411.31 million or 2.84%
<b>Revenues :</b>	Total revenues for 2015 amounted to Baht 11,660.07 million was lower than 2014 Baht 14,743.46 million or 20.91% from the Baht 14,743.46 million .
<b>Net Profit :</b>	In 2015 Loxley and its subsidiaries recorded a net profit of Baht 209.92 million was lower than 2014 Baht 352.51 million or 40.45% from the Baht 352.51 million.

## Financial Ratio

Financial Ratio	2015	2014	2013
Net profit to total revenue	1.80%	2.39%	3.88%
Return on average equity *	3.42%	6.31%	12.20%
Return on average total assets	1.50%	2.60%	4.43%
Earning per share (Baht)	0.09	0.16	0.28
Net book value per share (Baht) **	2.72	2.85	2.42

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

\*\* Equity holders of the company only (excluded non-controlling interests) and in 2014 used weighted average number of ordinary shares 2,141.99 million shares.



# REVENUE STRUCTURE

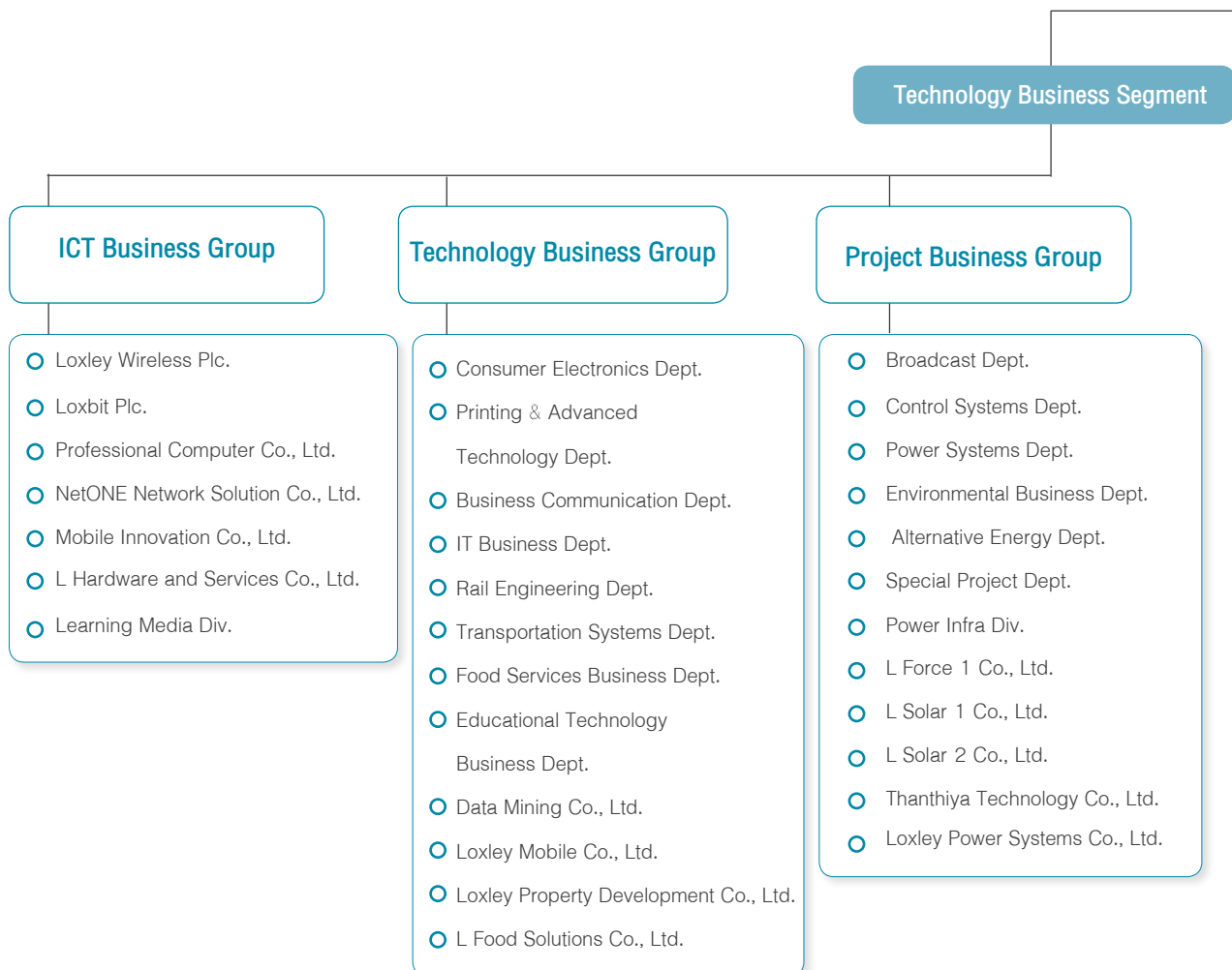
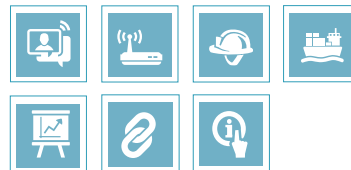
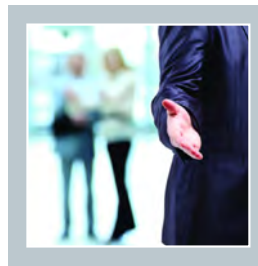
Company revenue structure presented by business segment (Announcement 56-2 from Committees of Stock Exchange of Thailand) Compared Information for the same period ended 2015, 2014 and 2013

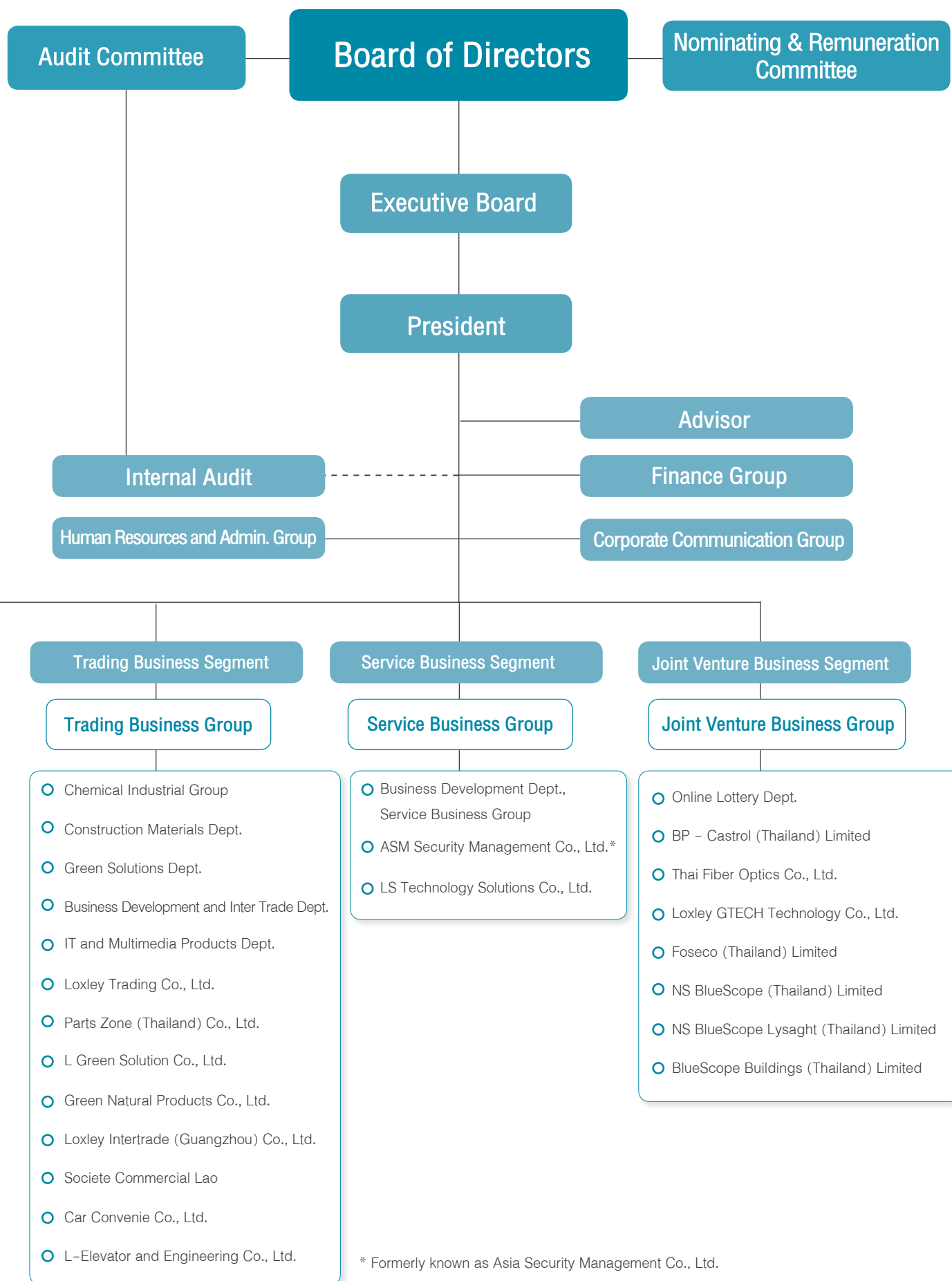
## LOXLEY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Unit : million Baht

Revenue Structure	2015		2014		2013	
	Total Revenue	% C.SIZE	Total Revenue	% C.SIZE	Total Revenue	% C.SIZE
<b>1. Technology</b>	<b>6,500</b>	<b>55.75</b>	<b>9,640</b>	<b>65.39</b>	<b>10,493</b>	<b>68.93</b>
1.1 ICT Business Group	3,220	27.62	5,633	38.21	8,168	53.66
1.2 Technology Business Group	1,225	10.51	1,392	9.44	1,145	7.52
1.3 Project Business Group	2,055	17.62	2,615	17.74	1,180	7.75
<b>2. Trading</b>	<b>4,397</b>	<b>37.71</b>	<b>4,257</b>	<b>28.87</b>	<b>3,993</b>	<b>26.23</b>
2.1 Trading Business Group	4,397	37.71	4,257	28.87	3,993	26.23
<b>3. Services</b>	<b>1,131</b>	<b>9.70</b>	<b>1,075</b>	<b>7.29</b>	<b>909</b>	<b>5.97</b>
3.1 Service Business Group	1,131	9.70	1,075	7.29	909	5.97
<b>Total Revenue</b>	<b>12,028</b>	<b>103.15</b>	<b>14,972</b>	<b>101.55</b>	<b>15,395</b>	<b>101.13</b>
<u>Less</u> Related Transaction	(441)	(3.78)	(421)	(2.86)	(363)	(2.38)
<u>Add</u> Unallocated Other Revenue	73	0.62	192	1.30	191	1.25
<b>Grand Total Revenue</b>	<b>11,660</b>	<b>100.00</b>	<b>14,743</b>	<b>100.00</b>	<b>15,223</b>	<b>100.00</b>

# CORPORATE STRUCTURE





# BOARD OF DIRECTORS



**1. Mr. Pairote Lamsam**  
Chairman

**2. Mr. Sukit Wanglee**  
Vice Chairman

**3. Mr. Dhongchai Lamsam**  
President

**4. Dr. Harit Sutabutr**  
Independent Director

**5. Mr. Sirin Nimmanahaeminda<sup>\*1</sup>**  
Independent Director

**6. Dr. Supavud Saicheua**  
Independent Director

**7. Mr. Charoon Chinalai**  
Independent Director

**8. Mr. Joti Bhokavanij**  
Independent Director

**9. Dr. Anusorn Sangnimnuan<sup>\*2</sup>**  
Independent Director





**10. General Vichit Yathip<sup>\*3</sup>**  
Independent Director

**11. Mr. Suebtrakul Soonthornthum**  
Director

**12. Dr. Jingjai Hanchanlash**  
Director

**13. Mr. Poomchai Lamsam**  
Director

**14. Mr. Vasant Chatikavanij**  
Director

**15. Mr. Suraphand Bhasitnirand**  
Director

**16. Dr. Sompop Chareonkul**  
Director

**17. Mr. Suroj Lamsam**  
Director

**18. Mr. Chalermchoke Lamsam**  
Director

<sup>\*1</sup> Mr. Sirin Nimmanahaeminda resigned from the Independent Director on 13 August 2015.

<sup>\*2</sup> Dr. Anusorn Sangnimnuan resigned from the Independent Director on 2 November 2015.

<sup>\*3</sup> General Vichit Yahtip was appointed to be Independent Director on 17 December 2015.

# EXECUTIVE BOARD



**1. Mr. Dhongchai Lamsam**

President

**2. Mr. Suebtrakul Soonthornthum**

Senior Executive Vice President  
Joint Venture Business Group

**3. Mr. Vasant Chatikavanij**

Senior Executive Vice President  
ICT Business Group

**4. Mr. Suraphand Bhasitnirand**

Senior Executive Vice President  
Trading Business Group

**5. Dr. Sompop Chareonkul**

Senior Executive Vice President  
Service Business Group

**6. Mr. Suroj Lamsam**

Senior Executive Vice President  
Technology Business Group

**7. Mr. Chalermchoke Lamsam**

Senior Executive Vice President  
Project Business Group



**8. Mrs. Kosoom Siphurmsukskul**

Executive Vice President  
Trading Business Group

**9. Mr. Thongyai Chanthanawan**

Executive Vice President  
ICT Business Group

**10. Mr. Natavoot Chitasombat**

Executive Vice President  
Project Business Group

**11. Mr. Saknarong Saengsangapong**

Executive Vice President  
ICT Business Group

**12. Mr. Supat Karachalkul**

Executive Vice President  
Finance Group

**13. Mr. Karn Thongyai**

Executive Vice President  
Service Business Group

# LIST OF DEPARTMENT MANAGEMENT (YEAR 2015)

## Senior Vice President

1. Mrs. Suganya Ungpakorn	Administration & General Affairs	9. Mr. Kittichai Raktakanit	Construction Materials
2. Mr. Anusone Ruthaiyanont	Technology Business	10. Mr. Manit Lohatepanont	Office of The President
3. Mr. Wachara Asvanuwatra	Chemical Group	11. Mr. Piboon Piboontum	Alternative Energy
4. Mr. Thongchai Kongsakphaisal	Marketing Service & Logistic	12. Mr. Nattapon Dejvitak	Inter Trade
5. Mr. Narisorn Manaspiti	Online Lottery	13. Mr. Komson Rungruengsorakam	Corporate Communication
6. Mr. Prasert Suvithyasiri	International Business	14. Miss Patra Laohapolwatana	Administration
7. Mr. Pattara Pojanapanich	Broadcast	15. Mr. Dawarit Tansuphasiri (Ph.d)	International Legal Affairs
8. Mr. Nimit Prasertsuk	Power Systems	16. Mr. Sukrasit Haritaworn	Human Resources
			Office of The President

## Vice President

1. Mr. Wirote Limpanawattanakul	Rail Engineer
2. Mr. Tim Tak Timothy Wong	Office of the President
3. Miss Nalinee Bijaisoradat	Information Systems
4. Mr. Suton Rakprathed	Broadcast
5. Mr. Sanit Ratanavadi	Office of the President
6. Mr. Anucha Dungsirisangthong	Chemical Industry
7. Mrs. Suphattra Busarakul	Printing & Advanced Technology
8. Mr. Arthasith Katanyutanon	Special Project
9. Mr. Pichai Mooputtarak	Legal & Securities
10. Mr. Pises Dissawat	Office of the President
11. Mr. Witawat Mesommonta	Food Services Business
12. Mrs. Kruarmas Puwattanavanich	Finance & Credit
13. Miss Sudkanueng Malithong	Office of the President
14. Mrs. Wanida Sangkaew	IT and Multimedia Products
15. Mr. Pakorn Apaphant(Ph.d)	Technology Business
16. Mr. Kreangsak Chana	Construction Materials
17. Mr. Yuthaporn Chitakasem	Business Development
18. Mr. Taweewat Tachakumtornkit	Environmental Business
19. Mr. Thikha Khunnawat	Transportation Systems
20. Mrs. Preeyanuch Paiboonsithiwong	Internal Audit
21. Miss Malinee Sahavongjaroen	Accounting Management
22. Mr. Patiyut Chantrakantanond	Control Systems
23. Mr. Chairat Laosurasoontorn	Business Communication
24. Mrs. Pensiri Sowanwanichakul	IT Business
25. Mr. Boonlert Jaimun	Strategic Investment and Investor Relations
26. Mrs. Thanida Greechurt	Joint Venture Business Group's Administration
27. Mr. Praty Indranupakorn	Business Development
28. Mr. Dechapon Boonpogkrong	Educational Technology Business
29. Mr. Petros Rigas (Ph.d)	Office of the President

## Assistant Vice President

1. Mr. Werasak Pattarakorn	Transportation Systems
2. Mr. Watcharin Thangjiviriyakul	Project Business
3. Cdr. Nijkasem Panyarachun	Office of the President
4. Mrs. Netra Ruthaiyanont	Office of the President
5. Mr. Voranun Utanjid	Corporate Social Responsibility
6. Mr. Panu Khongthon	Power Infra
7. Mr. Watcharapong Pathompanich	Office of the President
8. Mr. Veerayut Kosirinond	Inter Trade
9. Mrs. Chutintorn Thangsupanich	Special Project
10. Miss Suteera Chamlongsupalak	Learning Media
11. Miss Jinda Vanichvatanyou	Sales & Marketing Chemical
12. Miss Pornthip Piyaat	Human Resources
13. Mr. Pichiean Trangpanich	Sales & Marketing Chemical
14. Mr. Suebsakul Vacharinwong	Power Systems
15. Mr. Chirakitti Navisthira	Environmental Business
16. Mr. Yuthana Meechom	Power Systems
17. Miss Wannee Boontaganon	Corporate Finance & Consolidated Account
18. Mr. Pongsak Bureetan	Accounting Management
19. Mr. Pisut Sinarpha	Office of the President
20. Miss Ranginee Thummasawatdi	Control Systems
21. Lt. Jg. Thanakorn Yodchan	Online Lottery
22. Miss Napaporn Mettagitto	Inter Trade
23. Mr. Wasan Wanich	Corporate Communication
	Administration
24. Mr. Keattisak Iamsri	Business Development



## 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 Chaidajsuriya
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

### ASM SECURITY MANAGEMENT CO., LTD.



1. Mr. Dhongchai Lamsam
2. Mr. Suebrakul Soonthornthum
3. Dr. Sompop Chareonkul
4. Adm. Taveechai Liengphiboon
5. Am. Adireg Sastararuchi
6. Mr. Karn Thongyai (MD)
7. Mr. Supat Karachalkul
8. Mr. Zamir Eldar
9. Mr. Shai Meirav
10. Mr. Ehud Herbst
11. 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 Ungpakorn
9. Mr. Vichaya Chatikavanij
10. Mr. Supat Karachalkul

### LOXLEY TRADING CO., LTD.



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

### L FOOD SOLUTIONS CO., LTD.



1. Mr. Dhongchai Lamsam
2. Mr. Suraphand Bhasitnirand
3. Mr. Suroj Lamsam (MD)
4. Mrs. Kosoom Sinphurmsukskul
5. Dr. Dawarit Tansuphasiri
6. Mr. Manit Lohatepanont
7. Mr. Charaspong Lamsam
8. Mrs. Suganya Ungpakorn

### 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 Ungpakorn
6. Mrs. Wanida Sangkaw

### DATA MINING CO., LTD.



1. Mr. Dhongchai Lamsam
2. Mr. Suebrakul Soonthornthum
3. Mr. Vasant Chatikavanij
4. Mr. Suroj Lamsam (MD)
5. Mrs. Suganya Ungpakorn
6. Mrs. Sudkanueng Malithong
7. Mr. Pakorn Apaphant

### SOCIETE COMMERCIAL LAO CO., LTD.



1. Mr. Viphet Sihachakr (Md)
2. Dr. Jingjai Hanchanash
3. Mr. Suraphand Bhasitnirand
4. Mr. Oudet Souvannavong
5. Mrs. Sangmanee Viyagate
6. Mrs. Thanida Greechurt

### LOXLEY INTERTRADE (GUANGZHOU) CO., LTD.



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

### GREEN NATURAL PRODUCT CO., LTD.



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

### L-ELEVATOR AND ENGINEERING CO., LTD.



1. Mr. Suraphand Bhasitnirand
2. Mrs. Suganya Ungpakorn
3. Mr. Kittichai Raktakanit (Md)
4. Dr. Dawarit Tansuphasiri
5. Mr. Nattapon Dejvitak

### L FORCE 1 CO., LTD.



1. Mr. Chalermchoke Lamsam
2. Mr. Piboon Piboonum
3. Mr. Pongpun Wadwieng
4. Mr. Pattara Pojanapanich
5. Mr. Kanchit Songsiangchai (Md)
6. Mr. Pairoj Jutisankul

### LOXLEY PUOWER SYSTEMS CO., LTD.



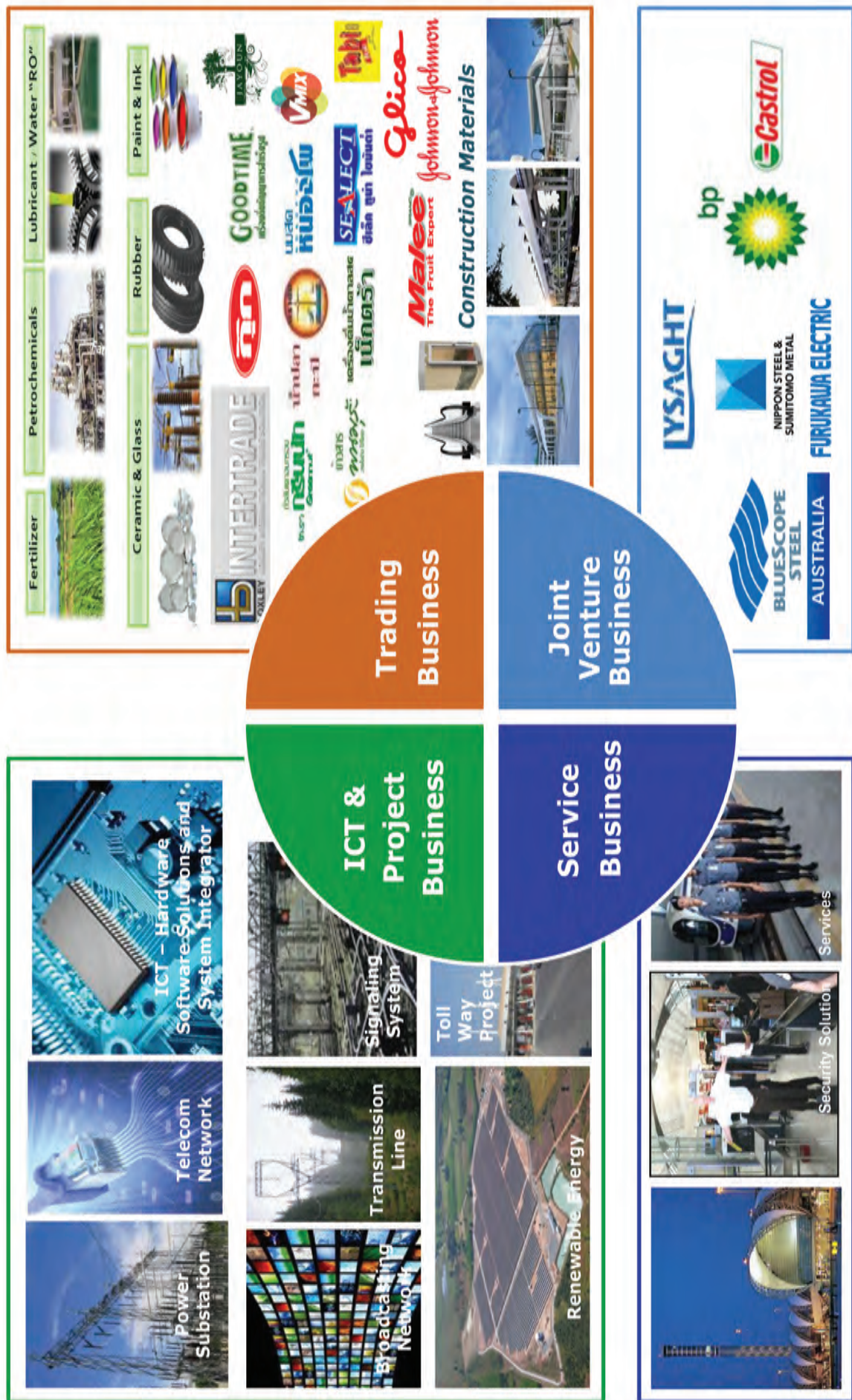
1. Mr. Chalermchoke Lamsam
2. Mr. Natavoot Chitasombat
3. Mr. Nimit Prasertsuk (Md)
4. Mr. Boonlert Jaimun

### L SOLAR 1 CO., LTD.



1. Gen. Nipon Siriporn
2. Mr. Chalermchoke Lamsam
3. Mr. Supat Karachalkul
4. Mr. Piboon Piboonum (Md)
5. Col. Prasert Shusang
6. Mrs. Seree Ono
7. Mr. Wutipong Moleecharat
8. Mr. Krit Follet

# Business and Operation Structure



# ICT BUSINESS GROUP



## 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.

The Group's main revenue is derived from its subsidiaries whose lines of work are all capable of generating revenue on a continuous basis either from undertakings in new projects or maintenance works, development of systems, both in the areas of Telecommunications and Computer which can meet the market's changing demands.

## Loxley Wireless Public Co., Ltd.

### Scope of Products or Services

Loxley Wireless Public Company Limited is a subsidiary of Loxley Public Company Limited that operates in telecommunications services. Its business consist of 4 major fields 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 Mitel's enterprise products, e.g., PABX including installation and after-sale maintenance services.

2. Wireless Communications Services: Distribution of Cambium Networks' wireless broadband, 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 Telecommunication Operator: Provider of high-speed data communications to corporate customers, e.g., Internet broadband, Voice over IP, Video surveillance (CCTV), Virtual private network (VPN), etc.

## Marketing and Competition

Deployment of information and communications technology in public and private organizations, granting license for telecommunication business by NBTC including 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 innovative services, it also brings greater competition. Bidders had to use all strategies to successfully compete 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 mega telecommunications system projects. Its



positive relations with customers make the Company one of the top telecommunications and communications network service provider.

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

### **Ongoing project**

Projects underway are TOT Public Co., Ltd.'s Project to Install Songkhla – Satul Fibreglass Cable Lines, Metropolitan Electricity Authority' s Project to Install Cable Pipelines and Fibre Glass Cable Lines, Provincial Electricity Authority's Project to Install Fibre Glass Cable Lines and Department of Public Relations' Project to Install Reception and Transmission Satellite Dish with an overall project value of approximately Baht 300 million which can be delivered on a gradual basis with full completion in 2016.

Furthermore, there are maintenance work on the Universities Commission's Fibre Optic Project and the Provincial Electricity Authority which are work which will continue throughout into 2016 as well.

### **Loxbit Public Company Limited Scope of Products or Services**

The Company provides information technology services and support to customers by offering a full range of automated financial transactions processing via electronic media. The end to end solutions includes front end system and machines such as EDC, ATM, MPOS, etc. next is the Host system includes Payment system, Check clearing system between banks by exchanging images instead of physical checks. Interactive Voice Processing, Information and Data management, Risks system etc. To accommodate the new international financial service standards. Our group also provides customer with installation and maintenance services. Form market study and tracking the changes of technology in various industries. Services needs to be improved to meet the needs of

technologies change. Products and services offered must be benchmark against competitor and industries standard. The Company staffs must be able to provide technical services and development of the solutions with confidence as a value added services to customers.

### **Marketing and Competition**

The onset of ASEAN free trade in the year 2016, this will lead to more intense competition. Current customers of the Company, such as financial institutions, insurance in both public and private sector will be adapting to the changes in every aspect. The technology to enhance security requirement, recognizing and knowing their customers identity to be able increase user's convenience. The pattern of product and services will also change. Financial institutions must be vigilant in protecting sensitive data of users. Other requirements is to increase confidence and convenience in the field of customer service. Such technology is also likely to be changed again by regulations by State agency And the Bank of Thailand, which in turn will be an opportunity for us to offer something new both in terms of products and services to meet those needs.

However, the Company also has an advantage compared to its competitors, even with the free trade of the ASEAN Community. The personnel of the company have the understanding and expertise in the products and services required by our customers making it possible to fully exploit the new technology requirements. Bringing quality products and services which are appropriate by our customers and continue to gained the trust of customers.

### **Ongoing Projects and Future Plans**

The Company plans to install EDC (Electronic Data Capture) to replace the machine cannot support the new international standards required VISA, Master cards including the Bank of Thailand. Installation of the card or PIN code solutions must work with all automated teller machines, cash deposit machine, and EDC operated by banks and financial institutions. For future projects, the Company aims to provide security solutions for deposit and automated teller machines. Other solutions and services are data encryption, electronic payment management, risk management, financial systems, anti-theft system identity management of users or customers of financial cards.



## Professional Computer Company Limited

### Scope of Products or Services

The Company is a subsidiary of Loxbit Public Company Limited, offering the system integration service, which including hardware & software, design and installation of computer systems, network systems, security systems, application development, site preparation & cabling, and maintenance services. The Company also offers IT outsourcing such as facilities management by professional and highly qualified staffs at customer's sites, including consultancy services in information technology.

Presently, The Company is a founding member of 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
- ISO/IEC 29110:2011 standard for Software Project Management and Software Implementation Processes
- Capability Maturity Model Integration (CMMI) V1.3 Level 2

Besides customer-specific, quality product development, The Company also gives priority to continuing professional development to ensure that staffs have knowledge and proficiency in both theories and practices, for instance, software development team is qualified for CMMI and ISO/IEC 29110:2011, which lay foundation for software development services towards international standards, and IT outsourcing team is qualified for ISO/IEC 20000-1:2011 and adopts ITIL (Information Technology Infrastructure Library) in IT management for customer support to meet international standards.

Presently, the Company's staffs have completed more than 100 certifications in various fields.

### Marketing and Competition

Changes from purchasing to leasing in budget allocation for IT projects of the government and private sector, rush disbursement, delay of project procurement along with other factors cause economic recession. However, due to Digital Economy policy, initiated by the government with addition

of investments from private sector to comply with Digital Economy policy, the Company is still continuously generating revenue as the Company offers up-to-standard quality solutions and services at competitive price to customers, providing satisfaction. Also, the Company prioritizes efficient management and continuing professional development of IT personnel in specific solution areas in considerations of objectives for future projects, along with capable resource allocation. The Company's distributed products are selected from industry-leading manufacturers such as IBM, HP, Oracle, EMC, Cisco and Microsoft with government agencies, state enterprises, telecommunication industry and banking industry as targeted customers.

### Ongoing Projects and Future Plans

The Company has many ongoing projects to be delivered, such as The Excise Department's projects, The Comptroller General's Department's projects, The Revenue Department's projects, Legal Execution Department's projects, Government Savings Bank's projects, Office of the Permanent Secretary for the Ministry of Finance's projects, and Student Loan agency's projects.

In the future, the Company expects to win large-scale projects consecutively from the government and private sector and interests in bidding for One Stop Service project, cigarette tax project, The Excise Department's project for ISO 27001 compliance, networking hardware replacement project for The Revenue Department, and e-GP enhancement project for The Comptroller General Department, etc.

## NetONE Network Solution Co., Ltd.

### Scope of Products and Services

The Company has engaged in service business as a data communication system integrator by distributing and providing turnkey IT Solution including infrastructure design and installation and maintenance of mission critical systems by using integration techniques of data, voice and visual via internet network.

Furthermore, the Company's service also covers network security and computer systems which are highly demanded by those customers both in government and private enterprises

ranging from middle to large business scale where internet application and cross-branch information connected are required; in accordance with its policy to ensure the excellence of its product and service quality.

The Company also is a reseller of quality products from world class vendors such as Cisco System Inc, F5 Network, Blue Coat, Huawei and Microsoft; with CISCO Gold-Certified Partner which is the highest level of certification-specific rewards and recognitions that a few partners achieved. Besides achieving both ISO/IEC20000 and ISO/IEC 27001 certifications, the Company also encourages engineer team to continually attend training in order to achieve up-to-standard international certifications and provides them internal network laboratories for consistently testing and studying their own performance.

## 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 consistently.

## Future Plans

The Company has developed vertical marketing expansion in middle and large-scale industrial enterprises, education and insurance group for example.

With its policy, the Company aims to expand outsourcing service of network and data network security, network administrator desktop support which are in high demand in today's market.

## 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 communications company and the influencer in advancing mobile communications technology on a global scale, providing Real Time Fleet Management System service as an Application Service Provider (ASP) entitled Fleet Expert. Fleet Expert is a real-time tracking and fleet management system which combines the advanced

technology of wireless communication, GSM networks, GPS (Global Positioning System) technology, Digital Vector Map technology and comprehensive analysis and management software. Fleet Expert not only pinpoint fleet location and activity but also delivers accurate data getting directly from the vehicles and system can detect vehicle motion, driver's behaviors and thus ensure immediate security for the driver, provides the useful historical data with analysis report for fleet manager to plan and control vehicle maintenance, vehicle telemetric (tracking and diagnostics), driver management, fuel management and safety management with details reports for vehicle management such as Safety & Economical Driving Report, Trip Management Report etc. In 2013, 2 branches were established in neighboring countries, Mobile Innovation (Vietnam) Co., Ltd. in Hanoi City and P.T. Mobile Innovation Indonesia Jakarta, Republic of Indonesia. Then in 2015, we have appointed 2 dealers in The Republic of Union of Myanmar and in Vietnam.

In order to cope with Government's regulation on road safety, Mobile Innovation Co., Ltd. also imports new GPS device with the latest technology from Japan which is emphasizing on safety driving. This new GPS device is equipped with not only the mobile drive video recorder with imaging processing technology which will send alert to the driver and control room, if there is any obstacle on the road or the driver suddenly change the path/lane but also alcohol checker and anti-asleep equipment.

Mobile Innovation Co., Ltd has also imported other GPS devices from China and Europe to serve SME market. Various sensors have also been provided which can be connected to the GPS terminal providing more safety driving to reduce accident and thus reduce costs, such as doors, temperature, immobilizer, fuel sensor, Mobile DVR which can record and take snap shot both inside and outside of the vehicle, alcohol checker and anti-asleep.

Personal Tracker, a typically small in size with SOS Button, the location will immediately be sent to the Control Center with name of the holder when SOS button is pressed. Smartphone Tracking is another tracking application for Android or IOS

Smartphone for keep track of employees during working hours and do not want to invest in the GPS devices.

SMS Broadcasting Service is another service for contacting and confirming the safety of overseas employees in one go. The service is based on SMS technology supported by any set of SIM cards and mobile handsets from major operators in 11 countries, Thailand, Singapore, Malaysia, Indonesia, Vietnam, The Philippines, Australia, South Korea, China (including Hong Kong), Taiwan and Japan. "InCircle" is an application for organizations that need to a secured solutions for sharing instant messaging. It uses end-to-end encryption and only allows registered users to access for security.

## Marketing and Competition

Mobile Innovation Co., Ltd. Provides not only high quality products but also excellent after sales service with highly skillful and experienced personal. So our competitive strategy is focused not only on good-quality services and provision of reliable and constant services to clients, but also on appropriate and reasonable pricing.

## Future Plans

In year 2016, the Company will increasingly invest on procuring equipment and upgrading its various technologies to achieve better operational efficiency which should effectively meet and exceed clients' demands and expectations, such as Mobile Health Care System, which the Company has started pilot testing in Thai market.

## 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 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 5,000 members. In 2013, the Club opened 16 courses of iPad trainings, 3 courses of Samsung / Android, 7 courses of MacBook and Photography using Smart Phone. We offer training in both regular schedule basis and private lesson. In addition, it offers other fun activities, e.g., sightseeing, creative works, watercolor painting, etc. and also activities of health concern such as self-treatment using reflexology method. Moreover, we have designed Google Enterprise courses and conduct training for Muang Thai Life Assurance PLC., and employees of Loxley PLC.

## 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), LINE, 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., National Day of Older Persons (by the Ministry of Social Development and Human Security), PTT's Debentures Holder etc.

## Future Plans

The Division has planned to expand its customer to working life generation and OPPY existing customers by developing more Android table training course and MacBook on OS X platform 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 provides services and procurement of technological products involving 3G mobile service reseller or MVNO. We also provide services and sales of hi-speed printing products, Private Automatic Branch Exchange (PABX), installation of railway signaling system, expressway system, security system in building, sophisticated information protection systems, as well as rental service for computers and telecommunication equipment to support education activities, real estate management and services, and food service.

In 2015, the Company put in more investment in its subsidiaries in response to the increased volume of work which also gave it the opportunity to expand its business operations pursuant to increased market demands. However, the Group's main income is still derived from its provision of services in various projects which must be carried out on a continuous basis such as management and maintenance of the various systems that have already been installed for customers. These businesses have been a continuing income-generating source for the Group as they require the use of specific technologies for effective operations

## Consumer Electronics Department Scope of Products or Services

Loxley Public Company Limited was granted the Type I Telecommunications Service issued by the National Broadcasting and Telecommunications Commission (NBTC), and currently operates mobile services on 3G technology

under the MOU with TOT Public Company Limited to be its reseller or Mobile Virtual Network Operator (MVNO) on 2100MHz frequency. The Company focuses on delivering 3G prepaid services including voice and non-voice services under the brand "i-Kool"

The Company has been involved and participated in the NBTC activities, in providing telecommunication information and related opinions. The company is committed to strictly comply with the NBTC's terms and regulations.

## Marketing and Competition

Today the telecommunications and IT business is rapidly expanding, providing greater opportunity for constantly generating and growing income. However, the competition in the 3G market has become more intense, with more competition in terms of price and service quality due to the official launch of the 3G networks on 2100MHz in mid-2013. Operators have focused on the expansion of their networks to respond to customer demand of mobile internet which directly affects the MVNO business.

The acceleration of the 3G market has encouraged new service providers to enter into the MVNO business which challenges the company to maintain market share, and expanding its customer base.

## Future Plans

The Company plans to seek new partnership to support its business expansion and target specific customer groups in order to maintain market share and expand in the niche market area.

## Printing & Advanced Technology Department Scope of Products or Services

The Department is the importer of printing equipment and post-printing process equipment and supplies used for printing and printing software as well as providing a fully comprehensive service in rendering advice on design, procurement and installation of the printing system including printing of various security systems. Presses/printers imported by the Department comprise high-speed variable digital inkjet printers, high quality colour digital printers, and offset printers

from Japan and small size digital inkjet printers of various brands. Other than these printers and press systems, the Department also distributes printing ink, printing spare parts and equipment and post-sale services.

### **Marketing and Competition**

The Department's products are well positioned to meet the demands of today's publication market, both in terms of quality and cost. In particular, as far as rolling digital printing equipment is concerned, the Department has introduced Kodak's latest version of High Speed Inkjet printers -- Kodak Prosper Press 6000 to the Thai market which enables printing on industry standard uncoated, coated and glossy paper with high dpi and high speed per page.

In addition, the Department distributes Hybrid high-speed Inkjet print head from Kodak which can print out Variable Data, QR Barcode, 2D Barcode to meet the growing demands from the Courier and Packaging market (Pharmaceutical and Cosmetic) which are niche customers wishing to boost the value and credibility of their products by inserting the Traceable Barcode (for verification whether the product is genuine or fake), date of production (to check on the expiry date). The Inkjet print head can be attached by customers to their existing Offset printers which will add value to their work and is cost-effective as well.

In 2015, the Department signed agreements with Xerox Impika, Highcon and JCI to increase its sales opportunities by introducing High-Speed Inkjet digital products from Xerox Impika to fill up marketing gaps for customers whose printing volume per cycle are not too high and who want to change from the Offset system to the Rolling Digital Printer system. The Department also brought in print heads from JCI (Singapore) for distribution in order to expand the Variable Data Print Head market to the packaging circles which are going through a phase of constant economic growth. This technology from JCI allows printing to be made on plastic sheets as well as on paper.

As for post-printing process, the Department imported the laser Die-Cut system equipment from Highcon (Israel) to answer the demands of customers who give emphasis on precision, fineness/neatness, with a medium-range volume of work and targets set to reduce working hours and production costs.

### **Future Projects**

As the Council of Industries of Thailand which gives its support to Thailand becoming the ASEAN (or AEC) hub for Printing and Packaging with emphasis on innovations and future

technologies, the Department foresees this as an opportunity to expand its markets with focus on major publication houses and printing facilities, be they in the public or private sector or educational institutions by presenting its high quality digital printing system, digital system for packaging and Software to help boost the capabilities of its clientele to keep in line with the stride ahead towards AEC which is fast approaching.

In 2016, the Department plans to introduce software for a printing house's evaluation of its expenses to help reduce working processes and increase the efficiency of printing operations.

### **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, Cisco, Aruba, Alcatel, NEC, LG-Ericsson, F5, Plantronics, Jabra, Juniper, Audio Code, Hua Wei, Nice, 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 increased 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 System expansion project for the Chulalongkorn University, Call Center system improvement for Muang Thai Life Insurance Plc., New Call Center system for Muang Thai Assurance Plc., New Call Center for Siam City Cement Plc., and Video Conference System for Department of Rural Roads, and Ethanol Tracking System for the Excise Department.

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.

### **Education 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.

## Rail Engineering 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, and Building Security.

### Marketing and Competition

All Government policies related to infrastructure development, especially 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, Mass Rapid Transit 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.

## Future Plans

The Department consistently follows up on Government related plan and policies on Rail 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.

## Transportation Systems Department

### Scope of Products or Services

The Transportation Systems Department provides a turnkey service to the customers, covering design, assembly, installation, testing, training, and manuals for system operation and maintenance to make sure that our customers will receive a comprehensive system with great efficiency. The Department's

products / services cover Toll Collection System, Traffic Control System, Building Security, and Civil Construction.

## Marketing and Competition

All Government policies related to infrastructure development, especially expressways in Bangkok, adjacent provinces, and between some major cities have provided the Department with good business opportunities. The Department has won bids to operate the systems for responsible authorities such as the Expressway Authority of Thailand, Bangkok Expressway Public Company Limited, Don Muang Tollway Public Company Limited, and Department of Highways. The Department has partnered with the reputable international corporations which offer high technologies at reasonable prices.

The risk in doing business of the Department is relatively low due to our expertise in Toll Collection and Traffic Control System together with good relationship with the customers. About Building Security System, the Department always delivers the products meeting the customers' requirements in time because of our partnership with a company supplying world class products. The Department also partners with a construction company well accepted in construction business. There is no risk in foreign exchange because all construction materials are procured locally.

## Ongoing Projects and Future Plans

The current projects in progress include the Toll Collection System and Traffic Control System for Si Rat – Outer Ring Road Project, Emergency Telephone System for Burapha Withi Expressway Project, Construction of Phang Nga Prison Project which will be completed in 2016 and Construction of Office of Attorney General in Ranong Project which will be completed in 2017.

The Department consistently follows up on Government's related plan and policies on transportation systems development and civil construction to ensure that its business plan best corresponds to the Government's plan and policies including Public – Private Partnership (PPP) Project.

## Food Services Business Department

### Scope of Products or Services

Loxley Food Services Department (LFS) was established in 2010 with objective to expand into Food Retail market and to develop own-branded products that leverage growth for Loxley Trading Business Group and to synergize with Loxley Trading Company Limited for integrated Supply Chain Management, giving TBG a competitive competency in the business. With

core business as a restaurant operator and a catering services provider, in 2013, LFS has lately established L Food Solutions Company Limited, a wholly owned subsidiary of Loxley PLC, to provide staff outsourcing service and operate upon other food related business issues. LFS directly engaged in the Japanese Food Retail sector, operating own-branded restaurant chains under the following brands:



**Ai Japanese Village**



**WaQ Shabu**



**WaQ Yakiniku**



**DohTon Bori**



**Tetsumen**

LFS offers a wide selection of Japanese food in diverse categories such as, Shabu Shabu, Yakiniku, Donburi, Steak, Teppanayaki, Okonomiyaki, Ramen and Sushi. Targeting at Families, Young Adults and Teens, LFS currently operates in 5 strategic locations which are; The Nine, Fashion Island and Siam Paragon, thus giving us the opportunity to serve more than 30,000 customers per month; LFS also has Facebook fan page almost 300,000 followers.

## Marketing and Competition

Japanese food is widely accepted with trending growth for the past 5 years, especially in the Specialty Store sector. Significant increase in numbers of Japanese restaurants are partly from entrants of major corporation into the Japanese restaurant business sector, and arrival of Japan originated brands in form of a joint-venture company, having considered Thailand as a springboard into other Asean countries. This intense competition and diverse offerings of Japanese specialty stores are growth drivers for Japanese restaurant market and thus providing more access for consumers, with signs of upcountry expansion in economically developed provinces.

## Future Plan

Making our Specialty Store brands prominent and viable is our highest priority, as this will provide a strong and solid foundation for our franchise expansion strategy, both locally and internationally within the AEC region. Moreover, in 2014, LFS has created a division to provide catering services to

organizations and general publics as part of a business expansion. In 2015, the Department modernized the restaurant format to be in line much more with consumer life style and behavior as well as adjusting food menus by taking into account the quality of good quality raw materials before serving them to customers.

Moreover, the Department plans to develop the potential of raw materials procurement in conjunction with Loxley Trading Co., Ltd. in order to acquire good quality raw materials and lower management costs and has commenced in preparing and processing major raw materials such as Sueketare Sauce, meat and salmon etc. by expert chefs at The Nine Restaurant, Rama IX Road. These were spread out to various branches for a better quality control over raw materials and goods which are the contributory factors towards increasing its competitive prowess in the business in order to meet expansion in the future as well.

## Data Mining Company Limited

### Scope of Products and Services

The Company's business comprise of

- 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.
- Development, Management and Service including to offer consultancy services in digital map & GIS (Geographic Information System) projects to meet customer needs and integration in GIS projects. The company also represents world's leading brand about Crisis Information Management System "WebEOC product". The Capabilities of WebEOC is the Resource Management, Interoperability. The Information Sharing between Multi-agency coordination, Creating a Common Operating Picture (COP) and Decision Management.

## Marketing and Competition

The government budget allocation as according to government policy in map data for Land, Agriculture, Transportation, Natural Disaster and Assets Management. The Company can win the constant projects from the government. The Company has the advantage over its competitors due to its highly experienced teams who have good understanding and knowledge in the offered products and services more than 10 years to achieve the large-scale projects and also the good relationship with the existing customers and partners. Its 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 government and private sector as have the policy in map and GIS development and integration the applications on GIS core to complicated process design solutions to meet customer needs.

## Future Plans and Projects

The Company has the quality products and service to complicated process design solutions to meet customer needs. The Company also provides the products and service as the value added in the existing GIS core of customers to make the constant revenues. This will also enable the Company to expand GIS business to AEC.

## Loxley Property Development Co., Ltd. Scope of Products or Services

The Company operates its businesses by dividing them into 2 major areas, namely :

1. Real Property such as land development in which studies were carried out by the Company on relevant potential and opportunities and investment feasibility in suitable land which could generate returns for the Company both in the short and long term, as well as on real property management such as provision of services on rental of office buildings, rental of advertising signboards, provision of cleaning services and public utilities services in office buildings right through to other pertinent services on a fully comprehensive basis.
2. In the area of project management, the Company currently participates in submitting tenders on various projects, both in the public and private sectors most of which involve contractual hire for construction work and installation of the Reverse Osmosis (RO) system.

## Marketing and Competition

Expansion of the public sector mass transit system continues to be the factor which promotes and creates opportunities for land development within the inner urban areas as well as in the outlying parameters where the mass transit system extends. As far as competition is concerned, the nature of business makes for a high competition particularly in the area concerning MRT routes as the demand is high for accommodation along the routes vis-à-vis the low availability of land conducive towards the purpose such that the supply is low against demand mostly among well-to-do Bangkok residents who need accommodation near to MRT routes.

The main thing in real property development is the capability to use land with the potential for development held by the Company or its Group as well as building good relations not only with today's major real estate developers but also with several landowners to gain their confidence. The potential, therefore, is high for land in the city inner-area to be further developed.

Moreover, the Company takes into account issues like preservation of the Environment, Society and Communities right through to compliance with town-planning regulations and ensuring that Safety, Hygiene, overall communities and environmental-friendly issues are maintained as they are regarded, indeed, not only as our duties but as a part of our Society as well.

## Operations in Preceding Year and Future Projects

2015 performance could still yield returns for the business on a continuous basis and built up good images in various projects as it acted also as advisors to land owners in their consideration to enter into a joint venture as well as serving as advisor for various real estate projects on locations with good potential in the Bangkok Metropolitan area. On the part of real estate management, the Company focusses on building business allies, broadening its clientele base right through to developing its services which will keep in line with international standards.

On Project Management, the Company won more tenders for works in the public sector in 2015. Works were effectively managed for on-scheduled delivery pursuant to its Plans and targets. For 2016, however, overall picture of the construction business is anticipated to see a continuing line of tenders coming up for bidding on government projects as the result of action being expedited to push out a great number of major projects towards development of the country's infrastructure. For construction work in the private sector, however, one expects to be able to continue with its growth in 2016 as the result of investment for production expansion in the industrial sector in order to meet the demands of economic resuscitation.

However, construction business may continue to face risk factors which are prevalent, as follows:

1. Political factors which will have an impact on the direction of investment in the public sector as well as allocations/ expenditures from the Government's budget.
2. Higher costs of labour.
3. Prices of supplies used in construction work which may be fluctuating at times with tendencies for oil price, an indirect cost vis-à-vis operating costs, to remain steady.

# 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.

Changes in Technology and investment policies on the public sector's infrastructure projects led to the rise of new projects in which the Group's work units are well-versed in and have, indeed, received the confidence of its customers. This is the factor which gives rise to new projects to work on, on a continuing basis. Moreover, efforts are made by the Group to operate its businesses with a sense of social and environmental responsibility by determining to develop environmental friendly businesses such as alternative energy and so on.

## 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 of market is in a very high level continuously.

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.

Radio and Television Broadcasting are mainly imported equipments technology from overseas such as the United States, Europe, Japan, and together with domestic parts from the local suppliers whom with reputed capability.

## Ongoing Projects and Future Plan

In 2014, the Department has a number of major on-going project under implement (mostly digital transition related) such as, CH5 studio project (for CH5 new facility) CH5 Network Provider project and The Digital TV station (System transition into digital TV system) of the 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 broadcast industry in near future.



## 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. Our service principles are to provide the right solutions, with professionals and skills, and with total commitment.

### Marketing and Competition

Our clients are in Electricity, Oil and Gas, and Water utilities, where controls systems and SCADA applications are critical to their operation. The government is investing in mega infrastructure projects in the next 5 years, the need for the Controls and SCADA applications are in high demands. Most of the procurements are governed by official competitive open bid processes. Competitors include leading foreign contractors and/or product owners, as well as local main contractors.

### Ongoing Projects and Future Plan

Key projects delivered in 2015 include EGAT's Distributed Control System (DCS) Revamp project at Sirikit dam (Kick-off in March 2015 and commissioned in September 2015); SCADA enhancement project for Trans-Thai Malaysian Gas Pipeline in Songkla Province (Kick-off in May 2015 Trial run in Nov 2015 and scheduled for completion in April 2016); Constructing stations for Raw Water Quality monitoring for Provincial Water Authorities (Start from September 2014 and completed in September 2015). We still strive for control systems and SCADA projects in Electricity and Water Management utilities. In parallel, we are exploring to expand our opportunity in SCADA applications in other industries, such as at the Port Authority of Thailand.

The project to be delivered is the SCADA enhancement project for Trans-Thai Malaysian Gas Pipeline in Songkla Province (scheduled for completion in April 2016). In parallel, we are exploring to expand our opportunity in SCADA applications in other industries, such as at the Port Authority of Thailand.

## 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 substations for the Provincial Electricity Authority: two of 115–22 kV Gas Insulated Switchgear substations; six of 115–22 kV Modular substations; one of 115–33 kV Gas Insulated Switchgear substation; and one 115–33 kV Air Insulated Switchgear substation.
- Construction of substations for the Metropolitan Electricity Authority: three of 115–24 kV Gas Insulated Switchgear substations.
- Construction of substation for the Electricity Generating Authority of Thailand: one of 500 kV Air Insulated Switchgear substation.

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.

## Environmental Business Department

### Scope of Products or Services

The Department provides environment-related activities including environmental balance, waste or contamination resuscitation, especially in tap water, water for industrial use, wastewater treatment/reclamation, hazardous waste treatment, and waste to energy. It provides consultation services on technical management including installation design, sale, installation, operation, 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 searching partners and providers to create good services to customer groups to ensure strong customer base. Its major customers are the Provincial Waterworks Authority, the Metropolitan Waterworks Authority, and the Electricity Generating Authority. The Department also participated in small and medium-sized projects in order to expand its market in the private sector and Local Administrative Organization and increase its marketing capability through a team of experts and strong joint stock company.

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 resource management, wastewater treatment/reclamation, water recycle businesses, and waste to energy, including: concession projects of water supply systems, rental of mobile water supply system, 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.

Moreover, the Department 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, etc.

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

## On-going Projects and Future Plans

The Department's already delivered all products and services to the customers as a plan of year 2015. The Department also has continuously the spare part projects for every year. In 2016, the Department will provide the spare parts to the Royal Thai Army and the Royal Thai Navy with delivery expected in quarter 2 and 4.

## Alternative Energy Department Scope of Products or Services

The Department operates alternative energy sourcing business, covering solar energy, wind energy, hydro energy, biomass energy and energy-from-waste. 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 four 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 Southern part of Thailand.

## 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.

## On-going Projects and Future Plans

The Division has projects under construction which are

- Supply and Construction of 115 kV Transmission Line 3 Project for the Electricity Generating Authority of Thailand (EGAT)
- Supply and Construction of 230 kV Transmission Line Project in Lao P.D.R. for Nam Ngiep 1 Power Co., Ltd.

The Division expanded its policy to support the Asian Economic Community or AEC by getting its teams well prepared in areas such as marketing, procurement and project management to meet market expansion to AEC and preparing, at the same time, to meet the increased number of overseas competitors as well. The Company is confident that, with its existing strong points, it will be able to well meet such changes in the overall.

## **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.



## **Responsibility Towards The Society and Corporate Environment**

The Company is well aware of the importance of environmental management for development of the Environment hand in hand with business development. It focusses on prevention of pollution/contamination and in making continuous improvements. The Company has handled and administrated water drainages in surrounding areas to ensure that all prevailing waters will, during the rainy season, be duly handled and drained into natural resources so as not to have an impact on the surrounding agricultural areas. Moreover, a part of the area has been allocated by the Company as the Centre for Learning on Alternative Energy and Centre of Learning on Sufficiency Agriculture through planting of crops and herbs and having these products sold at market prices to its employees and neighbouring communities which serves as a Sample Centre for the Bor-tong Community in issues on social responsibilities. The Company also participated with the communities in cleaning up the area, improving community surroundings and participating in arranging activities on various major events each year.

Currently, the Company has provided educational support in areas of subsidies and necessary equipment to 3 schools regularly every year in the area, i.e. Bor-tong Wittaya School, Ban Gung Prachasan School and Ban Nong Pai Lom.

## **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 Trading Business Group engages in manufacturing and distribution of consumer products, industrial chemicals, construction equipment and materials, as well as distribution of automotive parts, equipment and hand tools for automotive services. Recently the group has expanded its automotive business into body and paint repair service, including car coating, and car detailing.

In 2014 until the end of 2015, there has been a slow down in Thailand economy; the Group; nevertheless, tried to create recurring revenue thru consumer products, chemical products, automotive industry in order to retain customer base and capture more market shares. An expansion into neighboring countries and China has been implemented to add more recurring revenue. The Group aimed to strengthen our network and business partners together with supply chain management by introducing Loxley's own brand and new businesses supporting backward and forward integration as well as e-Commerce to enhance gross profit and net profit. Another achievement was revenue creation from mega projects particularly from construction materials products. The Group had continually growing opportunities.



## 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 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, petrochemical, textile, paper, agriculture, and cleaning products.

## 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 as well as a production of high quality products for not only local market but also ASEAN ECONOMIC Community.



## Construction Materials and Green Solutions Group

### Scope of Products or Services

The Group functions from acquiring, marketing through servicing and installing the product regarding the construction sector in 4 groups;

#### 1) Building Envelope product including;

- NS Bluescope Lysaght metal sheet roofing
- Decra natural stone coated roof tile from New Zealand
- Aluminium Composite Panel under brand Architects from Korea and Haida from China And also with other products such as steel decking, Ranbuild pre-fabrication steel building

#### 2) Hyundai elevator, escalator and Auto parking system (APS)

#### 3) Mechanical and Electrical products

- Lighting control and home automation system under brand Bticino from Italy, Jung from Germany and AllLight (Local brand)
- Building maintenance unit under brand COXGomyl from Spain and Nippon Gondola from Japan

#### 4) Landscape Products

- Atlantis roof garden and vertical garden from Australia
- Mehler Technologies tension membrane from Germany
- Synthesis high quality shade fabric from Australia
- Greenroad soil stabilizer
- GRASS GRO® erosion and sediment control

The Group currently supplies wide range of products and continuously improves our service with an intention to create a better customer's satisfaction base on the total solution basis, also look for new products and service by means of more advance technology and higher quality.

### 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 strategies as a provider of the wide selection of construction solution to serve each specific requirement of projects along with depth experiences in designing, consulting and installing in order to create superior business value.

As the Group now servicing both private and public sector, the direct marketing and sales are applied by cooperation of

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 MRT blueline stations and depot, the MRT green line stations and depot, the SRT red line stations and depot, Thailand Block A and SPP power plant.

The Group aims for becoming one of a leading construction material providers with the plan to sourcing and developing new high technology and quality products in order to serve both private and government sectors.

## International Trade and Business Development Group

### Scope of Products or Services

The International Trade and Business Development Group 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 group, through its subsidiary in China – Loxley Intertrade (Guangzhou) Co., Ltd., has started distributing the Thai products in southern China. The products are those of food, confectionery, and Loxley's owned brand Jasmine Rice 金利蓮 (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 Group also operates its businesses through another 4 overseas offices in Cambodia, Laos, Myanmar, and Vietnam. The products supplied to overseas markets are divided into 3 categories, i.e. Consumer Products, Automotive Products, and Technology & others. Recently the Group has been appointed the Exclusive Distributor of Castrol to distribute their lubricant products in Myanmar.

The Group secures its supply sources by focusing in SME (Small and Medium Enterprise) Network Development program. The Group works closely with both public and

private sectors not only to recruit quality SME products into its portfolio, but also to help SME improve their products to match with the demand of consumers in oversea markets.

## Future Plans

The Group has started exploring India market in year 2015 and would be able to start exporting products to the India market in year 2016. The Group also aims to extend its business into “Automotive Service Business” by starting with Laos and following by Cambodia and Myanmar.

## Loxley Trading Company Limited Scope of Products or Service

Loxley Trading Company (LTC), a subsidiary of Loxley PCL, is one of the leading distributors of fast moving consumer goods in Thailand. For over 37 years, LTC helps clients to advance and grow their businesses in both new and existing markets by offering a complete range of distribution and marketing services. LTC has wide and deep distribution channels including wholesale stores, retail stores, modern trade stores, convenient stores, and hotels and restaurants for more than 30,000 points nationwide.

Besides, LTC also provides service of consumer research, marketing activation, sales promotion to create value for brand owners. LTC core products are grouped into five categories i.e. Grocery, Beverage, Confectionery, Chilled & Frozen and latest one Beauty, Health & Wellness.

With excellent team and services, LTC has gained trust from many leading brands such as “Cook” cooking oil, “Nongpho” UHT milk, “Tra Chang” fish sauce, “Greennut” roasted peas, and “Sealect” canned tuna, mackerel and sardine. In 2015, LTC expands distribution channel into online e-commerce business in order to serve a growing demand of new and younger generation of customers, begin with beauty products.

## Marketing and Competition

Retail market is highly competitive, especially on pricing and promotion of competitors. Supply chain is very dynamic in both upstream and downstream fronts creating pressure to the intermediary company. Macro economy as well as level of consumer spending has a big influence on revenue and market growth. Large retailers and key clients become more and more demanding to squeeze for a higher margin. However due to the effective management and thorough understanding of the

changes and the market landscape, LTC is able to handle and reduce the external effects and still stand strong.

## Future Plan

Apart from being a leading sales and distributor, LTC has strong commitment to develop a new business platform under own brands. In 2015, LTC has developed and launched our own branded beverage and skincare products, following our strategy to maximize our profit and marketing expertise.

In near future LTC planned to enter many more markets with our own branded products, by developing with our business



partner with expertise in product research and development. This partnership will combine the strength of partners in terms of development and marketing, which will be highly beneficial in the competitive landscape.

LTC will also more enter to online and e-business, with new and innovative business models. This will provides LTC with the relevancy in order to compete in the digital era with the upcoming generation of consumers.

## Part 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.

In October 2015, Loxley entered into the Shareholders Agreement with Federal Mogul Motorparts Inc., a large manufacturer and distributor of automotive parts from USA, allowing Federal Mogul Motorparts to hold major shares of Parts Zone. Parts Zone will serve as the distribution hub of products such as Champion brand spark plug, wiper blade, oil filter, and Ferodo brand friction products, and etc.. Parts Zone also planned to establish 12 more branches in next 5 years to cover the whole area of Thailand, in addition to its head quarter and main distribution center in Bangkok and another 2 branches in Northern and Southern part.

### 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 open new branches in Bangkok and regional area in order to improve distribution coverage and after sales services.

### Car Convenie Company Limited Scope of Products or Service

Car Convenie Co., Ltd. is a subsidiary of Loxley Plc., established as a joint venture between Loxley Plc. and Car Convenie Club Co., Ltd. from Japan who owns the quick car body and paint repair technology. Car Convenie Club Co., Ltd. covers all region of Japan through its franchisee workshops of over 900 workshops. In December 2015, the Company started operation of its first flagship workshop located on Rama 3 road, offering 3 main services; ie. body and paint repair, car detailing, and car coating. The Company planned to expand its network through franchise system in near future.



# SERVICE BUSINESS GROUP



## Overview

Great importance is given by the Service Business Group to the provision of security services particularly for airports with a large number of travelers going to and from covering a total of 4 main airports, i.e. Suvannabhumi, Phuket, Samui and U-Tapao. Services provided range from X-ray Screener, Bag Searchers, Whole Body Scanner, Hold Baggage Screener, EOD Service, security patrols and control access to the security restricted areas of airports. In addition, security services are provided for various major locations as well such as hotels, oil depots, MRT, office buildings and department stores with more than 5,000 employees engaged to-date in this sector's activities.

Technology of Security Services is focused in 2 major areas, i.e. airports and large cities with its prevailing systems ranging from Smart City, Safe City and Single Command Control Centre and the Entertainment Media in the form of Digital TV and GPS.

Increased demands for security services continue to grow on a constant basis in areas pertaining to aviation businesses as well as for activities outside airports, in large cities, industrial estates and office buildings. One sees a rather high competition today, however, in the Entertainment and Digital TV business sector.

## Business Development Department (Service Business Group)

### Scope of Products or Services

Strategies have been formulated by the Group to develop businesses in two major industries, as follows:

- 1. Safety Industry:** focused is given to introducing updated technology for use in the Safety Industry in communities and public areas particularly in airports right through to cities and locations frequented by a large number of tourists, with the use of the Smart City or Safe City systems, Genius Closed-Circuit television (which can give advice in handling incidents that have arisen). Developments of the Control Centre or what is called Single Command Control Centre will also be introduced which can control and monitor hundreds of safety electronic devices in one single room with utmost efficiency. Leaders in this Industry are the Group's allies which will give it a better edge against competition. It is planned to conduct operations of this kind in AEC countries as well.
- 2. Entertainment Industry:** Digital Era Entertainment with "Anywhere, Anytime, Anyone" Concept. The Group has import High speed Digital TV receiver box with HD quality for mobile reception as well as home box for fix reception. In addition, the group currently working on On-line Tracking GPS. System for Government Transport Tracking Project which can cover all public bus and truck nationwide.

### Future Plans

The Group aims at bringing in high-level security systems for use in big cities to ensure maximum safety under the "Smart City and Safe City" Concept as well as bringing a system known as Airport Shield to reinforce safety potentials for both domestic and international airports including the use of Genius Closed-Circuit Television as well as the Control

Centre called the Single Command Control Centre to be used for this purpose. Furthermore, the Group plans to introduce a variety of Digital TV reception boxes which may be accessed everywhere at any time too.

## **ASM Security Management Company Limited (ASM)**

### **Scope of Products or Services**

The Company was set up nine years ago and provides security services for airports, aircrafts, cargo, buildings, hotels and various department stores with rapid and continuous expansion and growth. To-date, it has offices at 8 locations – 3 in Bangkok and the other 5 in the provinces of Phuket, Chiangmai, Chonburi, Suratthani (Samui) and Krabi when security services were expanded to 2 more airports in 2015, i.e. Samui International Airport and U-tapao Rayong Pattaya International Airport. Furthermore, the ratio of its provision of general security have increased to 50% of the Company's consolidated income.

### **Marketing and Competition**

Factors which have made a change in the Security/Safety Business ensue from the Security Business Act, B.E. 2558 (2015) which requires security companies to seek their licenses every four years and for security personnel to file for licenses every three years. This Act will raise the standards of the security business in the overall more. However, there is a rather high pricing competition in the market such that the Company must pay heed to the development of its Security Intelligence Application to collate personnel data, check on work data on a daily basis which are accessible via links that will lead to a much more effective management and make the difference vis-a-vis its competitors.

## **Future Plans**

Plans and directions are set by the Company for the 2016–2017 period, as follows:

1. Make improvements in the areas of standards and quality of its provision of services. Action has been taken by the Company to become a member of IATA Ground Handling Council (The International Air Transport Association) and add 2 more ISO standards, i.e. ISO 14001 : 2004 – environmental management system, and the OHSAS 18001 : 2007 – sanitary and hygiene management system to assure its customers of the Company's standards.
2. Set up a Training Academy to provide courses to train personnel on visual appraisal of X-Ray screening, Cargo screening, and Passenger screening, courses for security personnel pursuant to the Security Act, B.E. 2558 in order to produce security personnel as well as upgrading the standards of security businesses and reinforcing the capabilities of security personnel for the benefits of clients as well as reinforcing measures to enhance public safety and good order for the Society.





# JOINT VENTURE BUSINESS GROUP



## Overview

Great importance is given by the Company on investment participation with other operators who have the expertise and are well-accepted internationally for their ownership or technologies of the products in which the Company will be making its joint investment as well as capable of generating income for the Company on a continuous basis, with high growth potential or the potential to boost the prowess of its other Business Groups to their fullest capacity to meet competition.

By pursuing work in line with its investment policy in businesses capable of generating revenue for the Company on a continuous basis, constant yields are achieved by the various businesses in the Joint Venture Business Group for the Company. There is a structure of low income fluctuations in the Joint Venture Business Group, with continuous growth which play an important part on the Company's profitability on a regular basis despite the fact that increased competition is clearly rampant today in a variety of businesses both in the areas of pricing and product quality.

## 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, Lottery system operation, training and support retailers. The duration of the contract along with monthly service payment is 5 years starting from the 1st day of Commercial Launch.

By end of 2006, the Department had installed 6,761 terminals at retailers nationwide 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. 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. 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. from Japan follow International Telecommunication Union (ITU). The

Company is a Thailand's first optical fiber cable manufacturer and ready supplier of the network 4G.

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) and Indoor cable standard follow IEC 60332. It also received the ISO 9001:2008 and ISO 14001:2004 certification from Bureau Veritas (BVQI), a renowned international organization and ready upgrade to ISO: 2015.

## Marketing and Competition

As the country has start 4G network license. The demand for broadband and WiFi services is on the rise following by leaping social media users. FTTx technology has been expanded to reach more consumers. NBTC will expire 2G network and upgrade to 3G and 4G. 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 quality 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 cheaper products from China.

## Ongoing Projects and Future Plans

The Company is expanding the 4G network for TRUE, AIS and CDMA network for CAT Telecom Plc. The 4G network service has to be expanded as license agreement.

## NS BlueScope (Thailand) Limited NS BlueScope Lysaght (Thailand) Limited Scope of Products or Services

The Companies are joint venture companies among Loxley Public Co., Ltd., BlueScope Steel Limited, and Nippon Steel and Sumitomo Metal Corporation. BlueScope is 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. Currently, the companies produce coated steel for construction and manufacturing sectors.

For construction sectors, which is more than 80% of total revenue, companies are leader for producing coated steel that use as a material for roll-forming metal sheets for roofing and walling as well as purlins and girts for cold form structures. Our major brand includes Zinalume®, Clean Colorbond® for industrial and commercial buildings, BLUESCOPE Zacs® and Jing Joe Lek® for residential housing.

For manufacturing sectors, with recent joint cooperation from NSSMC, the companies currently introduce products to Home Appliance market, our products include VIEWKOTE™, a top prepainted steel technology from Japan and SuperDyma® a highly corrosion resistance metal coated steel with aesthetic appearance.

### Marketing and Competition

Steel price is currently in down trend, in line with global commodity prices. In addition to slowdown in investment and consumptions with high coated steel import volume from China and Vietnam, has brought high competition to the market.

However, metal sheet market has continued expanding significantly due to consumers are more aware in metal sheet superior performance over other roofing material such as concrete tile and fiber cement roof which make it a popular choices. Since companies' products are most aware in the market, the revenue from construction sector is still at satisfactory level.

### Future Plans

The Companies completed modification of number two metal coated line to increase its capability to produce SuperDyma® a highly corrosion resistance steel with aesthetic appearance to serve Home Appliance market. After fully commissioning, this product will allow company to enter new market, along with maintaining our well performance in construction sector; these will give our production lines to run at full capacities in next year. The companies are also currently studying in investing of new metal coated line as well which plan is set to commission in year 2019.

### BlueScope Buildings (Thailand) Limited Scope of Products or Services

BUTLER® and PROBUILD® is steel structure building designed and constructed under PRE-ENGINEERING BUILDING by

BlueScope Buildings (Thailand) Limited. All components are engineered and manufactured to assemble together. Based on modular system, components are produced in the factory and delivered to construction division for assembling, installation with bolts, knot or knock-down which suitable for such as Manufacturing Factory, Warehouse & Logistic Centre, Workshop, Aircraft Hangar and Cold Storage.

The Company places impotency on excellent service. Our scope of service consists of advisory opinion from work planning, primary design, design and estimation report, production of building components based on PRE-ENGINEERED system, as well as warranty and after sale service.

Products manufactured and offered by BlueScope Buildings (Thailand) are "BUTLER®" "PROBUILD®" "MR-24®" and "PRO-LOK 75TM".

Moreover, the Company is committed to continual improvement in our HSEC (Health, Safety and Environmental) performance and intention to achieve by

1. We will comply with relevant industry standards and legal requirements.
2. We will engage with our employee and all contractors.
3. We will be valued corporate citizens in our communities. We respect the values and cultural heritage of local people.
4. We all (Management Supervisor and employee) awareness to accountability to achieve our health, safety and environmental and succeeding for our communities in which we work.

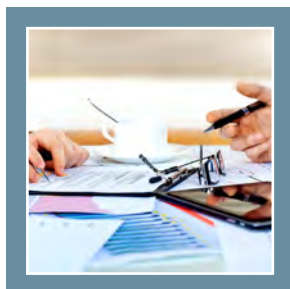
### Marketing and Competition

The Company has prepared itself to the upcoming AEC as it sees potential changes. The major changes will be competitors, customers and market channels that will not be limited to the domestic level, but to ASEAN group including other countries in different region.

### Future Plans

Upon success from business expansion to agricultural sector and maintaining customer base from industrial section in the previous year, the Company has realized the impotency of business expansion to neighboring countries where economic growth and investment are increasing. Furthermore, the company determined to build business allies to reduce competition while supporting each other's business.

# SUPPORT UNIT



## 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 2016 Plan

In 2015, the Group carried on 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, raise funds in capital market in an appropriate opportunity in order to reduce financial cost, seek for new source of fund to support and develop new business expansion, accelerate debt collection within the pre-set timeframe, and carefully approve credit limit to prevent doubtful debts.

The Group has improved its operation system in compliance with the updated accounting system that supports complex and rapid change of economy, technology development, and concerned rules and regulations, including training related persons in order to prepare for new transactions in digital economy. Investor Relations Department has its duties to liaise between the Company and stakeholders, shareholders, investors, analysts and mass media in order

to have better understanding of Loxley Group's business and future plan. In 2015, the Group 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.

For the year 2016, 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 in order to support the expansion of business in the Company's group. 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, related transactions, audit and verification report with respective suggestions, analysis and evaluation of operations. 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 2016 Plan**

The Department has prepared the annual auditing plan for approval by the Audit Committee. The Department has co-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, develop human resource on continual basis to enable smooth and effective business operation.

The Department also conducts verification of related transactions every quarter to ensure compliance with the rules and regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand Re: Procedures and Disclosure of Information concerning the connected Transaction of Listed Companies.

In addition, the Department viewed that recommendations and opinions of the external auditor in each quarter. In regard to result of financial statement, audit and accountability are very important and crucial to improving the Company's internal 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, news clipping and publishing significant company-related media, online contents and creative materials.

### **Operations in Preceding Year and 2016 Plan**

In 2015, 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 clipping in form

of printing and online media such as Loxley website, Loxley Facebook, posters and calendars as well as organized other internal and external activities such as, the Company's golf club, the Company's staff club, welcome parties, photographic service, graphic design service, conferences; and organized social activities.

In 2016, the Department will continue to support and provide services to business groups in the Company and its subsidiaries. It will focus on public relation activities, promotion of marketing-related activities, business information 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 2016 Plan**

During 2015, the Company continued a focus 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 Executive Development Programs to improve competitive advantages of our top executives. 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.

In 2016, the Department has been continuing 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).



# CSR

## CORPORATE SOCIAL RESPONSIBILITY

### MISSION

In conducting its businesses today, Loxley Public Company Limited's mission is focussed on selecting various products and services which are in line with the public sector's policy towards national development which is, indeed, a good compass to guide the Company in its work to help, reinforce and improve the quality of life for the people. Corporate governance in the Company's conduct of operations and its focus on participation and nurturing of the "Voluntary Mind" among its personnel will help achieve this sustainable development as the Company fully realizes the importance of social development and caring through diverse activities under the CSR Department's operating policy which has throughout, for the benefits of the Society, helped the Company gain the confidence and trust of its investors, customers, business partner and those with vested interests.

There are trends in the Company's policy to promote its operations with the use of Alternative Energy which is environmental-friendly by setting up a Solar Power Generating Facility at Kabinburi District in the Province of Prachinburi with 8.7 megawatt electricity generation capacity. This could replace the use of fuel and will greatly reduce emissions of carbon dioxide gas into the atmosphere. The Company has also brought in the Electric Bus Technology for use commercially in Thailand to lower dependency on fuel. Moreover, it is set on efforts to solve problems of accumulated garbage in densely-populated urban communities with Research and Development work on Mobile Burns for garbage which was awarded the Top 10 Best Innovations from the Office of National Innovations in 2010. It also brought in garbage-disposal technology from overseas to handle major garbage problems which, all in all, had been able to reduce garbage volumes tremendously as well as helped reducing the effects of global warming and problems of garbage pollution in soils and water resources as well.

In propelling work throughout in the CSR area, it is the Department of Corporate Social Responsibility's policy to focus on providing the Society with returns in the form of Communal Value or on creating the Shared Value with utilization of its corporate resources and expertise in response to the prevalent issues for the purpose of solving social problems, promoting the capabilities of communities and disadvantaged people. Emphasis is made also on its works in the areas of Social Development, Education and Environment and promotion of participation by network organizations in the neighbourhood such as the Duangprateep Foundation by providing social support (via creation of immunity for the communities) to

the Penang Market Community, support in the Environmental area (development of the Environment and Unity in communities), and the Sikkha Asia Foundation with support on Education (promoting reading activities in families and communities) in order to open up spaces for volunteers from Loxley Public Co Ltd. as well as external volunteers to participate in exchanging their experiences and learning which would lead to community development, establishment of networks and allied organizations to collaborate together in order to carry out work for the better of our Society.

### Propelling Social Works

In 2015, the Department of Corporate Social Responsibility carried out activities in line with the Company's policy by focusing on social development on a continuous basis such as by giving its support to work in both public and private sectors, educational institutions, foundations and communities in the Klongtoey area. Furthermore, activities were carried out to develop the community's potential, as follows:



#### 1. Support for the Para Sports under the Loxley Sport Hero Project

Since 2012, budgetary support has been given on a continuous basis by the Company throughout these 4 years to provide sports training for the disabled and to give them the chance to train themselves to the point of becoming members of the National Para Sports Team under the supervision and care of the "National Association of Para Sports for the Disabled under Royal Patronage". From its supportive promotion towards employing the disabled, a total of 42 handicapped people have been recruited and employed by the Company and its affiliates under the "Loxley Sports Hero Project" with traveling budgets granted for their participation in overseas matches. For example, in 2015, members of the Para Sports teams were sent to participate in the Indonesia Para Badminton International in Indonesia, BWF Para Badminton World Championships in England and the ASEAN Para Games in Singapore. Moreover, arrangements were made to regularly hold sports competitions every year in the country such as the Loxley Para Badminton Championships at the Sports Authority of Thailand's National Stadium in order to give the local disabled sports community the opportunity to demonstrate their capabilities, develop their potential and play a part in developing the Para Sports circles for further growth and development.



communication channels for the communities, it was mutually resolved by the Community Committees to build up PR team(s) to discharge work of disseminating information and news to community residents by inviting expert speakers in PR matters to give talks as well as training, both practical and theoretical, to the community's volunteers for 3 months from April through to June 2015, with the results of enabling community volunteers to improve their communications skills and give out PR news on Community activities for the information of all. This is considered a line of development that has been met not only with success but also helped to create a participatory platform in the community as well.

## 2.4 Dream-Savings Activities

Activities on promotion of savings are taken up further from 2014 with an operating period of 8 months from March through to October 2015 with the objective of promoting savings and support of work on child and youth development. These activities were run by the Penang BY Youth Group and the Volunteers Advisor in conjunction with the Project Officers with the following results: development of children and youth's potential to work as a team, their participatory role stimulated, both in areas of thinking and analyses which could be adjusted for use in the daily life, exchanges of opinion/skills, correlation between community committees where they can put the form, contents and methods of these activities for use on their own as well.

## 2.5 BY Penang Sport Day Activities

First began in 2011 with the initiating point stemming from activities called "Life Skills Activities" which led to the assembly of youth under the name of "the BY Penang Youth Group". Loxley volunteers had, in that year, donated table tennis tables to the community which triggered off an eagerness for sports and the Games was one activities rising from the wishes of children and youth and arranged by the BY Penang Youth Group. There was a clear line of duties and work assignments such as Youth Leader, Sports and Cheering teams. The atmosphere of this event had, indeed, made a great impression on children and youth and created a good memory for all of them with such great enjoyment and excitement. Results from the "2015 BY Penang Sport Day Activities" are seen in the creation of leaders for children and youth group who are supported by the elders and Love and Unity among community residents which is considered a vital aspect for sustainable community and social development.

## 3. Network and Social Support

The Department of Corporate Social Responsibility in conjunction with its allied network consisting of the Asia Sikkha Foundation and Duagprateep Foundation had been making arrangements for activities to promote reading and to build up immunity for residents of this Community, as follows:

### 3.1 "Love to Read Community" activities

Arrangements were made in relation to the "Love to Read Community" activities, in conjunction with the Sikkha Asia Foundation, to promote creative reading in the 70 Rai Community

## 2. 2015 Happy Community, Penang Market Community

In 2015, the Department of Corporate Social Responsibility arranged the "2015 Happy Community Project" in collaboration with the Penang Market Community Committee and Advisor of the Volunteers Network to develop the potential of this community with the following activities:

### 2.1 Community Relations

A variety of activities were arranged on 6 occasions during the course of the year for 75 member-households in the Penang Market Community such as festivities for the **National Children's Day, Senior Citizens Day, Mother's Day, Big Cleaning Day and Penang Market Community Seminars** in order to promote and develop inter-relationships among members of the Penang Market Community. These activities are anticipated to help propel people on a steadfast commitment of Unity and Love for their community and to thrive for better quality of life on a continuous basis.

### 2.2 Promotion of Learning

Activities were arranged with the use of premises of the Penang Market Community's Centre of Learning as the community centre for 6 events during the course of the year and to initiate activities with participation by the residents through a number of activities such as Reading, Indoor Sports and for meetings as well for the Community's traditional celebrations in general.

### 2.3 Activities towards development of Public Relations teams.

In order to develop both form and contents of PR works and widen





Development Area, Locks 1, 2, 3 and Locks 4, 5, 6 and the Chua-Plerng Community aimed at supporting active participation among family members in creative activities as well as building up good relations between families and their communities beside setting up a model for the Love to Read Family. Six events took place during a 3-month period between July to September 2015 which would enable the communities to realize the importance of reading and to support communal activities, reinforcing the value of familial institutions and infusion of social immunity. Results obtained are the creation of much greater awareness among parents, children and youth on the value of reading than before, formation of new reading habits and how to spend their time in a worthwhile manner for their own development.

### 3.2 Socially Creative Story-Telling Caravans

Activities on "Socially Creative Story-Telling Caravans" were arranged in conjunction with the Duangprateep Foundation with the aim of promoting learning in areas of Integrity and Ethics, creating social immunity for communities by means of story-telling, aprons and finger puppet shows, plays on a total of 11 occasions at 7 locations in the communities and schools in the Klongtoey area from May to October 2015. These activities made an emphasis on participation by children and youth to improve their skills in presenting puppet shows, in learning on how to produce puppet shows and playing a part in the shows as well. Results obtained are that children and youth acquired new skills from what they have heard and seen and to communicate through puppet shows and to create handicraft works during their participation in these activities which they could adapt for use in their daily lives as well.

## 4. Loxley CSR Club

Loxley CSR Club was founded in 2012 with two objectives The First, to serve as a medium to propel activities arising either from the CSR Department's conception or from members of the Loxley CSR Club. The second objective, to give personnel in its corporation a chance to participate in making useful social contribution through Club activities. Events held in 2015 to build environmental awareness together were as follows:

**4.1 "Activities by Loxley Volunteers on Coastal Mangroves Planting, Season 2"** in which 70 participants comprising Loxley personnel and volunteers, members of the Penang Market Community and outside volunteers were taken on a trip to the Environmental Preservation Village in Commemoration of Rama IX, Moo 10, Tambol Bangkaew, Ampur Muang, Samutsongkram Province with the purpose of helping to preserve coastal

mangroves, learn about the coastal ecology system, study impact of global-warming on Nature and promote voluntary spirits among its employees to carry out deeds for the common good of the Society, Communities and Environment as well as building good inter-relations between its personnel and the Penang Market Community residents. Participants of this event were all hands-on in planting 300 seedlings in order to bring back equilibrium to Nature and the Environment.

## LOXLEY IS STEADFAST ON ITS MISSION TOWARDS COMMUNAL AND SOCIAL SUSTAINABILITY

During last 2015, under the context of social, educational and environmental development and from the concept and arrangement of activities in line with target groups and CSR mission, participation in such activities led to developments in a variety of dimensions be they in the areas of children and youth, the disadvantaged and the disabled as well as the Company's employees who are regarded as the Company's extremely valuable assets. It is the Company's intention and determination to provide support on a continuous basis to implant a sense of consciousness for the disadvantaged as well as the disabled so that they recognize their own worth and potential and to open up opportunities for their employment. Budgetary subsidies to help organizations, work units both in the public and private sectors as well as those in the social community sector have, indeed, succeeded in objectively created this sustainability.

In the Klongtoey District Community consisting of the Penang Market Community, Chua Plerng Community and the 70 Rai Development Community, activities to develop their potential were undertaken to have them realize their responsibilities not only to themselves but also to the others. These activities not only help built their Conscience but also built up social immunity for children and youth who are the





primary subject of importance, with activities aimed at promoting the potential within these communities through encouragement towards self-dependency, analytical mind about their immediate circumstances, systematic development of works and participation in work in every aspect. Such creation of inter-relations between the communities and network entities with systematic capabilities for communications management and incorporation of CSR mission as a support have led to a better line of thoughts in the communities which will, indeed, lead to better management of their communities with a clearer picture for activities in their midst which can, indeed, provide a suitable response for their needs.

In order to implant this Voluntary Mind on its personnel, the Company has a policy to propel voluntary activities for its employees on a continuous basis and to create connectivity between its employees and the communities by building up a Sense of Conscience and by giving news on voluntary works so that its employees will be aware of the value of giving, sharing and making sacrifices for the others and to look after the Society willingly with this Voluntary Spirit of participation

**As the results of work performed by the CSR Department during 2015, the outcome be summarized under 3 major areas, as follows:**

### 1. Social Network and Social Support

Work in the communities were supported by the Company in the form of social network and social support ranging from a variety of activities to mutual collaboration between work units both in the public and private sectors, non-profit generating organizations (NGOs), the communities and the Society. In addition to social, educational and environmental developments as well as in response to the Company's policy of sustainable development, the fact that there are now networks available in the communities to carry out various activities is, indeed, considered the main resource towards development of communities potential. This has created brain-storming forums and process towards mutual development which can be said to be of great benefits hand-in-hand with development of the Society and Communities on a sustainable basis through such social network and support.

### 2. Promotion of Development of Communities Potential

By developing the communities' potential towards self-development, Children and Youth Group have played their parts by participating in these various activities, either in the brain-storming sessions, work-sharing and coordinating on different aspects of work. They have, indeed, demonstrated their capabilities to the full which can be regarded as extra-curricular learning where they gained experiences which could be adapted for use in their daily lives and learning. On the part of the Penang Market Community Committee, the Company has, throughout, been promoting the potential of developing work groups by means of seminars, brain-storming sessions about community development on a sustainable basis, promoting preparation of community development plans

and a variety of activities with relevance to their communities. Such support and promotion provided guidelines for sustainable community development which had enabled the communities to conduct various activities on their own.

## 3. Promotion of Social, Educational and Environmental Development

**3.1 Social range** The Donations of products Activity as well as provision of subsidies to governmental organizations, private development organizations, non-profit generating organizations, foundations and associations which operate in the Public Good, via a number of major events as well as helping university students in their camping activities. These, indeed, have propelled and uplifted the Society to be more compassionate and helpful towards one another so as to make this a better place to live in.

**3.2 Education :** educational supplies/equipment were donated by the Company to educational institutions and various work units in the Klongtoey area as well as those in distant rural areas during major events such as Children's Day, New Year, Songkran Day, etc. Extracurricular activities were arranged for children and youth. In addition, the Company has been cooperating with the State's educational institutions in rendering advice and sharing contents of knowledge to develop the quality of education in Thailand, create educational opportunities as the Company is fully aware that Education is, indeed, the major tool for children and youth to develop to become the main force behind their country's development in the future.

**3.3 Environment :** the Company promotes to use of alternative energy, with the cooperation of its customers and business partner, to develop innovations and to select environmentally-friendly products to feed the business and community sectors which will objectively lower the impact on the environment. Moreover, it promotes Loxley volunteers to learn more about preservation of natural resources and the environment through their outings to gain more knowledge every year beside supporting the Cleaning Day activities within the communities to enhance participation between its employees and the communities.

Furthermore, activities were coordinated to improve the surroundings and clean up the communities. Results achieved can be seen in participation between its employees and the communities in activities which not only broaden their leaning horizons but also led to inter-connectivity. This is regarded as one kind of activities which has, indeed, produced good returns.

In 2016, the CSR Department will continue to maintain its policy to focus on creating the Shared Value for the communities by bringing in its available resources and expertise for the purpose of social, educational and environmental development and to develop the concept of the Voluntary Mind via activities following after His Majesty the King's concept. It will endlessly continue to build up this momentum of participation by Loxley volunteers and work in compliance with the Stock Exchange of Thailand's policy.

# **RISK FACTORS**

## **Risk Factors from Business**

### **1. Risks from Over Dependence on Key Accounts**

The majority of revenue from the Company's technology-related business units was attributed to the project implementations for only few key accounts, especially for projects related with government agencies and state enterprises. If these clients delays spending projects tied budgets, it is likely to affect the Company's business performances and financial condition. Nowadays, the business competition is intense in terms of rates, technologies and services in both domestic and international market. Such factors might impact the Company's revenue. To lower such threats, the Company focuses on improving service quality to meet the needs of customers and market trends while continuously strengthening relationship with all business partners and searching for new business opportunity.

### **2. Risks from Changes of Government Policies**

The Technology Business Segment consists of IT and Communication, Technology, Projects (large and small projects) where most of the work are from government and state enterprises. Therefore, the main income of Technology Business Segment is significantly related to the government expenditure, political and economic situation of the country. In the other word, any changes in the rules and regulations might put the Company at risks in case the changes create negative impact on the business operations. Partially, the aforesaid income from government and state enterprises are derived on continual basis, since the projects requires ongoing service maintenance. In addition, there are Trading and Service Business as well as joint ventures and other investment projects that generate ongoing income to the Company in a long term.

### **3. Management and Risks from Project Delays**

Most of the Company's projects in the Technology Business Segment usually have specified timeline guarantying that the project will be completed according to the signed 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 workforce trainings 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 delays in delivering working areas from the project owners, the delays of product delivery from business partners, or the changes of damaged equipment. To prevent the risks in project delivery, it needs the concrete plans based on projects management. The working procedures 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. The Company commits to the above procedures to ensure the work completion within assigned time frames.

### **4. Risks from Dependency on Product Procurement for Trading Business**

In regard to Trading Business, the Company has accepted product supply from one producer without written agreement of sale agent. The Company may encounter the risk in the event that the manufacturer will change its policy or suspend the distribution, or unable to supply products to the Company. Consequently, the shortage of such product could cause adverse impact to the customer base and revenue of the Company.



However, since the Company has maintained good relationship with this particular manufacturer for more than 20 years, without problems or issues concerning the business, in case of termination, the manufacturer will give an advance notice to the Company. The Company has wide ranges of products which are mostly supplied from more than 1 producer. Therefore, it is possible that the Company can use alternative source to ease the risk, including expansion of new product line and own brand creation.

## **5. Risks from Business Expansion and Investment in New Business**

The Company determines to seek for new business opportunity that could create collaboration and increase additional income to its existing operations. In the meantime, the Company has prepared itself to step toward AEC where neighbor countries such as Myanmar and China are considered as a potential target. Previously, the Company has invested in Vietnam and Lao where uncertain law provision, regulations, government policies, political and economic situation cause unflavored impact to the business. Such impact includes increasing cost and expenses, negative business operation, financial status or unexpected overall outcome. Presently, the main business of the Company is operated in domestic market where such risks are minimal. To lower the risks and impact from oversea business, the Company has studied the pros and cons, as well as yield upon investment prior to its execution and investigate new partners carefully.

## **6. Risks from Changes of Technology**

The IT Business experiences rapid and constant changes, while the competition is intense with unpredictable trends. In case of failure to follow the advance and technology development to meet the market demand, the Company could lose the customers as well as business opportunities. The Company regularly follows the news and information, new products, developments both in domestic and international markets to be able to adjust its policy and operation toward changes and trends. The technical support department, main customer service department and project bidding department are assigned to study and analyze work from our suppliers, and to follow up with latest technology trends. Moreover, the Company has provided seminars, training courses and lectures from the manufacturers to develop and improve skill on technologies among employees. Furthermore, since the Company purchases products in accordance to the contract of each project, employees are able to try new products and technologies.

## **Risk from Management**

### **7. Risks from Dependence on Executive Management and Personnel**

The Company has to rely 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**

### **8. 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 the foreign currencies such as in US dollars. 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.

## **Other Risks Factors**

### **9. Risks from Exercise of the Warrants**

As of 31 December 2015, the Company has total LOXLEY-W warrant of 66,236,667 units, 66,236,667 stock warrants. In the event that total warrants will be exercised, the percentage of shareholding of existing shareholders will reduce not more than 2.84% (calculated based on number of disposed shares as of 31 December 2015, total 2,264,954,770 shares).

## **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 2015, 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 2,331,250,000 ordinary shares
Paid-up Capital	: Baht 2,264,954,770.00, divided into 2,264,954,770 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	- Offering 65 million shares to existing shareholders - Reservation of 85 million shares for the exercise of conversion rights on debentures - Offering 10 million shares to Company directors and staffs	- 65,000,000 shares, at Baht 10.00 per share - 85,000,000 shares, at Baht 10.00 per share - 10,000,000 shares, at Baht 10.00 per share
25 December 2003	-	-	- Reduction of 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	2,000.00	- Offering shares to Ekpavee Company Limited	- 2,000,000,000 shares, at Baht 1.00 per share
	650.00	2,650.00	- Reservation for the exercise of conversion right on debentures	- 2,650,000,000 shares, at Baht 1.00 per share
8 May 2008	(650.00)	2,000.00	- Reduction of reserve shares for the exercise of conversion right on debentures	- 2,000,000,000 shares, at Baht 1.00 per share
20 May 2013	331.25	2,331.25	- Supporting the stock dividend - Offering shares to general investors - Reservation for the exercise of LOXLEY-W to existing shareholders - Reservation for the exercise of LOXLEY-W to general investors who subscribe for newly issued shares	- 100,000,000 shares, at Baht 1.00 per share - 165,000,000 shares, at Baht 1.00 per share - 25,000,000 shares, at Baht 1.00 per share - 41,250,000 shares, at Baht 1.00 per share

# CAPITAL STRUCTURE

## 1. Securities

### 1.1 Ordinary shares

As of 31 December 2015, the Company's registered capital was Baht 2,331,250,000. Paid-up capital totaled Baht 2,264,954,770, divided into 2,264,954,770 ordinary shares at Baht 1 par value. The remaining of 66,295,230 shares are classified as follows:

- The remaining shares after being allocated to the existing shareholders, who is entitled to receive a stock dividend as per resolution of the annual general meeting of shareholders in 2013, are 45,230 shares. The Company will eliminate these remaining shares by decreasing its registered capital.
- The shares reserved for exercising warrants of the Company is divided as follows:
  - o The amount of shares not exceeding 25,000,000 allotted to the existing shareholders who has the right to receive the stock dividend as aforesaid.
  - o The amount of shares not exceeding 41,250,000 allotted to public investors who subscribe the capital shares of the Company.

### 1.2 Warrant (LOXLEY-W)

Type and Category	: Warrant to purchase new ordinary shares of the Company No.1 (LOXLEY-W). The Warrants are specified name and transferable.
Number of Warrants	: 66,236,667 units
Exercise Ratio	: 1 unit of warrant has the right to purchase 1 ordinary share (subjected to change in accordance with the condition for adjustment)
Exercise Price	: 7.00 Baht per share (subjected to change in accordance with the condition for adjustment)
Date of Subscription	: 13 October 2014
In the Stock Exchange	
Maturity	: 3 Years from issue date of warrant
Exercise Period	: On the last business day of March, June, September, and December throughout the tenor of LOXLEY-W, the last day of exercise is the due date of warrants on 30 September 2017.
Submission Period	: Within 7 days before each of the exercise date. Except the last exercise date, warrant holders can submit the intention form within 15 days before the last exercise date.
Adjustment of Right of the Warrant	: The Company will adjust the exercise price and/or the exercise ratio, upon the incurrence of the following events with the aim to protect the warrant holders' benefit. <ol style="list-style-type: none"><li>1. The change to the par value resulting from the amalgamation or division of share</li><li>2. The new offering of share at the low price</li><li>3. When the company offers convertible bond or warrant at low price</li><li>4. When the company pays partial or whole dividend by issuing new shares to shareholders</li><li>5. When the company pays dividend in exceeding of the rate that specified in the term and condition of warrant adjustment</li><li>6. Any other similar event to those of clause 1 to 5 which results in the warrant holder are considered less benefit</li></ol>

The past 5 exercise date (the latest exercise was on 30 December 2015), there was no warrant holders wished to subscribe the ordinary shares of the Company.

### 1.3 Other Securities

On April 29, 2015, the Company's 2015 Ordinary General Meeting of Shareholders adopted the resolutions to approve that the Company issue and make a sale offer of debentures within a line not exceeding Baht 1,000 million to be used in its operations and business expansion as well as for refinancing. To-date, the Company has already issued and offered the following debentures for sale:

- (1) A part of secured debenture No. 1/2558, Set 1, of 300,000 units with the par value of Baht 1,000 each for an aggregate total of Baht 300,000,000 at the fixed rate of interest of 3.36% per annum and date of redemption set on 18 December 2020.
- (2) A part of secured debenture No. 1/2558, Set 2, of 700,000 units with the par value of Baht 1,000 each for an aggregate total of Baht 700,000,000 at the fixed rate of interest of 3.89% per annum and date of redemption set on 18 December 2022.

Both sets of debentures are of the name-bearing type, unsubordinated and secured with nominees allowed. Credit-rating given by Tris Rating Co., Ltd. on 3 December 2015 for these debentures are at the level of A- with fixed credit trends. All debentures were offered for sale to institutional investors and major investors.

## 2. Shareholder

List of 10 major shareholders of the Company, as of 30 December 2015 (date of closing shareholder's register) :

No	Name	No. of shares	Percentage share
1	The Lamsam Group consisting of	705,930,933	31.16
	1.1 Ekpavee Co., Ltd.	584,158,113	25.79
	1.2 Mr. Pairote Lamsam	37,368,481	1.65
	1.3 Mr. Dhongchai Lamsam	26,732,044	1.18
	1.4 Mr. Photipong Lamsam	25,655,364	1.13
	1.5 Mr. Banyong Lamsam and Mrs. Nartrudee Weeramaeteekul	20,200,000	0.89
	1.6 M.R. Sam-aungvarn Lamsam	11,816,931	0.52
2	Mr. Kiatchai Limpichotpong	117,342,455	5.18
3	Thai NDVR Co., Ltd. *	107,427,431	4.74
4	Mrs. Charuvarn Vanasin	41,838,900	1.85
5	ML Prasopchai Kasemsant	21,420,000	0.95
6	Mr. Nuttapol Jurangkool	21,000,000	0.93
7	Mrs. Benjawan Kumpanartsanyakorn	17,178,020	0.76
8	XL INVESTMENTS LTD.	14,024,997	0.62
9	Mr. Chaiporn Achakul	13,400,000	0.59
10	Mr. Nipat Charoenkitchakarn	13,252,700	0.59

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

### Shareholder structure of Ekpavee Co., Ltd. as of 30 April 2015

As of 30 April 2015, Ekpavee Co., Ltd. had a total of 6,350,000 paid up shares, at Baht 100 par value. Details are as follows:

No	Name	No. of shares	Percentage share
1	The Lamsam family (13 persons) and Lamsam Estate Co., Ltd.*	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 Mekkaves	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
	<b>Total</b>	<b>6,350,000</b>	<b>100.00</b>

Remarks : The shareholder structure of Lamsam Estate Co., Ltd. comprises the Lamsam Family which holds 100 per cent in the registered capital.



### 3. LOXLEY-W warrant holder

List of 10 major warrant holders, as of 30 December 2015 (date of closing LOXLEY-W holder's register) :

No.	Name	No. of units	%
1	Ekpavee Co., Ltd.	6,954,263	10.50
2	Mrs. Sureeporn Srisurapanont	2,480,700	3.75
3	Mr. Dhumrach Chantarakul	2,110,000	3.19
4	Mr. Soravit Hirunrujipong	1,526,950	2.31
5	Thai NDVR Co., Ltd.	1,327,130	2.00
6	Mr. Suracha Tansatapornchai	1,300,000	1.96
7	Mr. Chun Temtharak	1,070,700	1.62
8	Mr. Kiatchai Limpichotpong	1,049,688	1.59
9	Mrs. Jitraporn Naowthavorn	999,950	1.51
10	Mrs. Wanida Komna	994,000	1.50

### Dividend Payment Policy

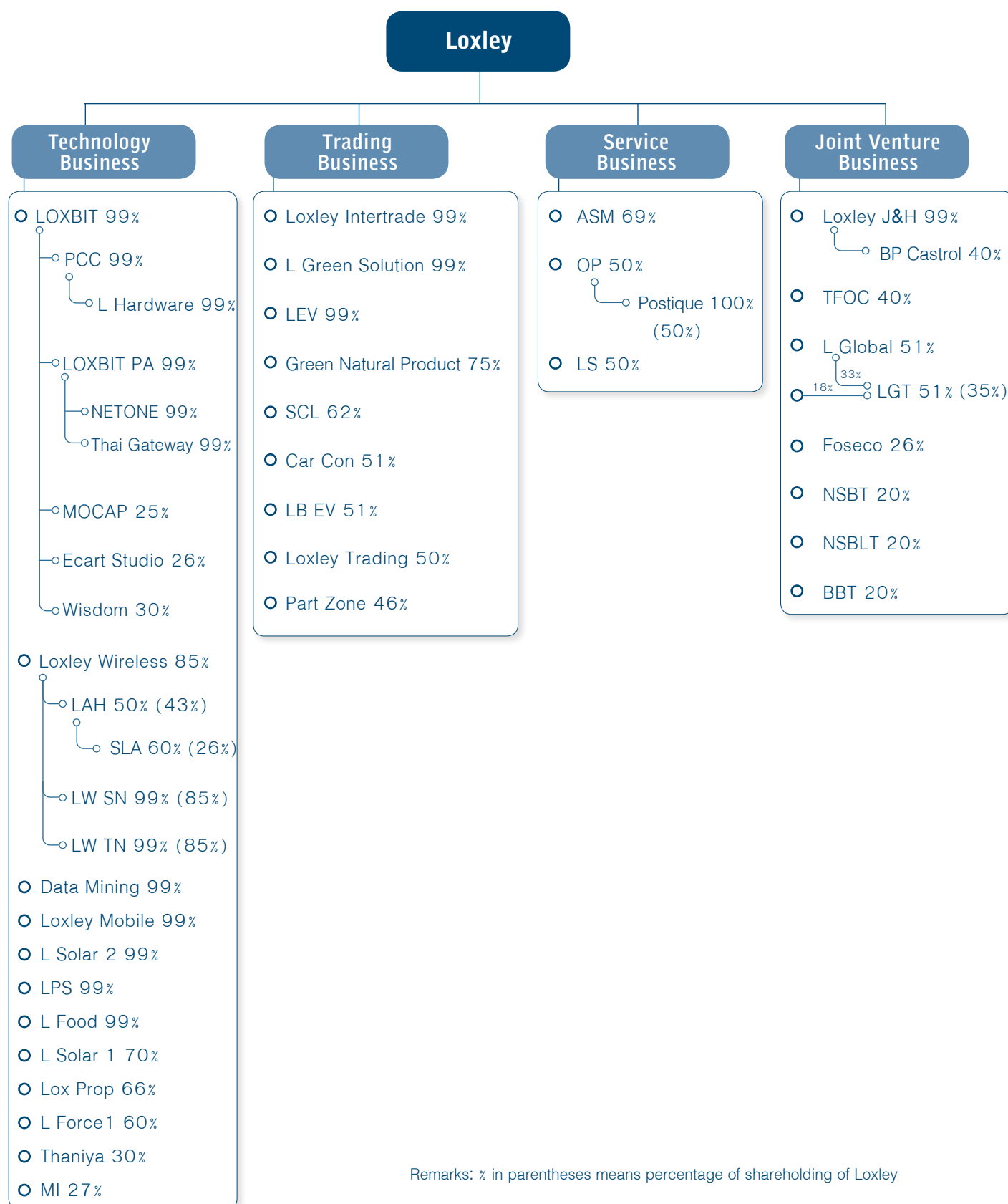
It is the Company's policy to make dividend payments of at least 40% of its net profits after corporate tax of individual financial statement and all reserves as stated in the Company's regulations and related laws. The Company considers financial status, cash flow, investment plans, business plan and 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 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. In 2013, the Company paid dividend at Baht 0.095 per share, totaling Baht 200 million. And in 2014, the Company paid dividend at Baht 0.10 per share, totaling Baht 226 million.

## DETAILS OF OWNERSHIP IN LOXLEY SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES

As of 31 December 2015, the Company holds shares, directly and indirectly, in 27 subsidiaries, 4 joint ventures, and 15 associates, as follows:



## **DIRECT SUBSIDIARIES**

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
1	LOXBIT PLC (LOXBIT)	No. 102/99 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Trading of telecommunication equipment, computers and computer programs	450	99
2	Data Mining Co., Ltd. (Data Mining)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Service of information technology equipment and computer systems	20	99
3	Loxley Joint & Hold Co., Ltd. (Loxley J&H)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Holding company	1,000	99
4	Loxley Mobile Co., Ltd. (Loxley Mobile)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Sale and service of various prepaid electronics cash card	20	99
5	L Food Solutions Co., Ltd. (L Food)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Provide food service	30	99
6	Loxley Intertrade (Guangzhou) Co., Ltd. (Loxley Intertrade)	Room 2011, 20 <sup>th</sup> Floor, 33 Yian Plaza, Jianshe Liu Rd., Yaexiu, Guangzhou 510060	Trading in the People's Republic of China	0.48 USD	99
7	L Green Solution Co., Ltd. (L Green Solution)	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
8	L Solar 2 Co., Ltd. (L Solar 2)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Solar power plant business	0.1	99
9	Loxley Power Systems Co., Ltd. (LPS)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Power system business	20	99
10	L-Elevator and Engineering Co., Ltd. (LEV)	99, 101, 103, 2 <sup>nd</sup> Floor, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Trading and installation of elevator and escalator	3	99
11	Loxley Wireless Plc. (Loxley Wireless)	No. 555 Rasa Tower, Phaholyothin Road, Chatuchak Subdistrict, Chatuchak District, Bangkok	Sale and service of telecommunication and information technology systems	275	85
12	Green Natural Product Co., Ltd. (Green Natural Product)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Manufacture and distribute citrus essential oil	4	75

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
13	L Solar 1 Co., Ltd. (L Solar 1)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Operate solar power plant	220	70
14	ASM Security Management Co., Ltd. (ASM)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Provide security services at Suvarnabhumi Airport and others	100	69
15	Loxley Property Development Co., Ltd. (Lox Prop)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Renting of building, advertising board and providing services	200	66
16	Societe Commerciale Lao (SCL)	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
17	L Force 1 Co., Ltd. (L Force 1)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting	20	60
18	Loxley Global Co., Ltd. (L Global)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Holding company	99	51
19	LB EV Co., Ltd. (LB EV)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Manufacturing, assembly, trading electricity automotive including related equipment	40	51
20	Loxley Trading Co., Ltd. (Lox Trading)	No. 102 Loxley Building, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Sale of consumer products	50	50

## INDIRECT SUBSIDIARIES

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
21	Loxbit PA Plc. (LOXBIT PA)	No. 116/19, 1 <sup>st</sup> -3 <sup>rd</sup> Floor, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Telecommunication and computerized database service	45	99
22	NetONE Network Solution Co., Ltd. (NETONE)	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
23	Thai Gateway Co., Ltd. (Thai Gateway)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Trading of telecommunication equipment	20	99
24	Professional Computer Co., Ltd. (PCC)	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
25	L Hardware and Services Co., Ltd. (L Hardware)	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

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
26	LWSN Company Limited (LWSN)	2 Soi Phaholyothin 19, Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok	Service of telecommunication, IT systems and fiber optic network	1	85
27	LWTN Company Limited (LWTN)	2 Soi Phaholyothin 19, Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok	Service of telecommunication, IT systems and fiber optic network	1	85

## **DIRECT JOINT VENTURES**

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
1	Car Convenie Co., Ltd. (Car Con)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	car body & paint repair services	50	51
2	LS Technology Solutions Company Limited (LS)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Operate the security technology solutions	10	50

## **INDIRECT JOINT VENTURES**

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
3	Loxley & AIT Holding Co., Ltd. (LAH)	No. 2 Soi Phaholyothin 19, Phaholyothin Road, Chatuchak Subdistrict, Chatuchak District, Bangkok	Provide installation service of power plant telecommunication	200	43
4	SLA Asia Co., Ltd. (SLA)	No. 99/7, 29 <sup>th</sup> Floor, Software Park Building, Moo 4, Chaengwattana Road, Pakkred, Nonthaburi	Provide installation service of telecommunication	30	26

## **DIRECT ASSOCIATES**

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
1	Oriental Post Co., Ltd. (OP)	No. 333/3 Rachadanivej Village, Soi 19, Pracha-uthit Road, Samsennok Subdistrict, Huay-kwang District, Bangkok	Advertising series post production services	150	50
2	Part Zone (Thailand) Co., Ltd. (Part Zone)	No. 128 Seri Thai Road, Khan Na Yao Subdistrict, Khan Na Yao District, Bangkok	Trading in automotive parts and equipment	56	46
3	Thai Fiber Optics Co., Ltd. (TFOC)	989 Siam Tower Building, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok	Manufacture of fiber optic	100	40
4	Loxley GTECH Technology Co., Ltd. (LGT)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Sale and service of information technology and online lottery sale system	300	35



No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
5	Thanthiya Technology Co., Ltd. (Thantiya)	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
6	Mobile Innovation Co., Ltd. (MI)	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
7	Foseco (Thailand) Limited (Foseco)	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
8	NS BlueScope (Thailand) Limited (NSBT)	No. 2 Soi G9, Pakornsongkrohrad Road, Maptaphut Subdistrict, Muang District, Rayong	Manufacture and sale of cold rolled steel	5,000	20
9	NS BlueScope Lysaght (Thailand) Limited (NSBLT)	No. 16, Soi Phahonyothin 96, Prachathipat Subdistrict, Thanyaburi District, Patumthani	Manufacture and sale of steel roofing	600	20
10	BlueScope Buildings (Thailand) Limited (BBT)	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	360	20

## INDIRECT ASSOCIATES

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of shareholding
11	Postique Co., Ltd. (Postique)	No. 333/3 Soi 19, Pracha Uth-it Road, Sam Sen Nok Subdistrict, Huai Kwang District, Bangkok	Provide advanced techniques for advertising and film making services	20	50
12	BP-Castrol (Thailand) Limited (BP Castrol)	No.183 ,23 <sup>rd</sup> floor, Rajanakarn Building, South-Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok	Sale of Castrol and BP lubricant	49	40
13	Wisdom Vast Co., Ltd. (Wisdom)	No. 103 Moo 2, Bangkhungong Subdistrict, Bang Kruai District, Nonthaburi	Mobile and innovative solution provider	7	30
14	Ecartstudio Co., Ltd. (Ecart Studio)	No. 129, Praram 9 Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok	Website design service	12	26
15	MOCAP Limited (MOCAP)	989 Siam Tower Building, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok	Outsourcing contact center	61	25

# MANAGEMENT

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

## The Company's Board of Directors

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

In 2015, 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	Director, President, and Member of the Nominating and Remuneration Committee
4	Dr. Harit Sutabutr	Independent Director and Chairman of the Audit Committee
5	Mr. Sirin Nimmanahaeminda <sup>*1</sup>	Independent Director
6	Dr. Supavud Saicheua	Independent Director
7	Mr. Charoon Chinalai	Independent Director, Member of the Audit Committee, and Chairman of the Nominating and Remuneration Committee
8	Mr. Joti Bhokavanij	Independent Director and Member of the Audit Committee
9	Dr. Anusorn Sangnimnuan <sup>*2</sup>	Independent Director
10	Gen. Vichit Yathip <sup>*3</sup>	Independent Director
11	Mr. Suebrakul Soonthornthum	Director, Senior Executive Vice President and Member of the Nominating and Remuneration Committee
12	Dr. Jingjai Hanchanlash	Director
13	Mr. Poomchai Lamsam	Director
14	Mr. Vasant Chatikavanij	Director and Senior Executive Vice President
15	Mr. Suraphand Bhasitnirandr	Director, Senior Executive Vice President and Member of the Nominating and Remuneration Committee
16	Dr. Sompop Chareonkul	Director and Senior Executive Vice President
17	Mr. Suroj Lamsam	Director and Senior Executive Vice President

Remarks: <sup>\*1</sup> Mr. Sirin Nimmanahaeminda resigned from the position of Independent Director on 13 August 2015.

<sup>\*2</sup> Dr. Anusorn Sangnimnuan resigned from the position of Independent Director on 2 November 2015.

<sup>\*3</sup> Gen. Vichit Yathip was appointed to be Independent Director on 17 November 2015.

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 eight 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, Mr. Jingjai Hanchanlash OR any one of the eight directors above mentioned jointly signs with any one of the following directors totaling two directors and affix the Company's seal: Mr. Suebrakul Soonthornthum, or Mr. Suraphand Bhasitnirandr, or Mr. Sompop Chareonkul.

## **Independent Directors**

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

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

1. Holds not more than 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 2015:

No.	Name	Frequency of Attendance/Number of Meetings			
		Board of Directors	Executive Board	Audit Committee	Nominating and Remuneration Committee
1	Mr. Pairote Lamsam	7/7	-	-	-
2	Mr. Sukit Wanglee	7/7	-	-	-
3	Mr. Dhongchai Lamsam	6/7	12/12	-	4/4
4	Dr. Harit Sutabutr	7/7	-	5/5	-
5	Mr. Sirin Nimmanahaeminda <sup>*1</sup>	3/4	-	-	-
6	Dr. Supavud Saicheua	7/7	-	-	-
7	Mr. Charoon Chinalai	7/7	-	5/5	4/4
8	Mr. Joti Bhokavanij	7/7	-	5/5	-
9	Dr. Anusorn Sangnimnuan <sup>*2</sup>	4/5	-	-	-
10	Mr. Suebtrakul Soonthornthum	6/7	11/12	-	4/4
11	Dr. Jingjai Hanchanlash	6/7	-	-	-
12	Mr. Poomchai Lamsam	6/7	-	-	-
13	Mr. Vasant Chatikavanij	7/7	11/12	-	-
14	Mr. Suraphand Bhasitnirandr	7/7	12/12	-	4/4
15	Dr. Sompop Chareonkul	6/7	12/12	-	-
16	Mr. Suroj Lamsam	5/7	8/12	-	-
17	Mr. Chalermchoke Lamsam	6/7	10/12	-	-
18	Mrs. Kosoom Sinphurmsukskul	-	10/12	-	-
19	Mr. Thongyai Chanthanawan	-	10/12	-	-
20	Mr. Natavoot Chitasombat	-	9/12	-	-
21	Mr. Saknarong Saengsangapong	-	10/12	-	-
22	Mr. Supat Karachalkul	-	12/12	-	-
23	Mr. Karn Thongyai	-	11/12	-	-

Remarks : \*<sup>1</sup> Mr. Sirin Nimmanahaeminda resigned from the position of Independent Director on 13 August 2015 (the Board of Director Meeting no. 1/2558 – 4/2558).

\*<sup>2</sup> Dr. Anusorn Sangnimnuan resigned from the position of Independent Director on 2 November 2015 (the Board of Director Meeting no. 1/2558 – 5/2558).

## **The Executive Board**

In 2015, members of the Executive Board are:

No.	Name	Position
1	Mr. Dhongchai Lamsam	President
2	Mr. Suetrakul Soonthornthum	Senior Executive Vice President
3	Mr. Vasant Chatikavanij	Senior Executive Vice President
4	Mr. Suraphand Bhasitnirand	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 Sinphurmsuksul	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 : The Executive Board is the Company's Management in accordance with the notification of the SEC.  
Secretary to the Executive Board is Mr. Pichai Mooputtarak.

## **Scope of Authority and Responsibilities of the Executive Board**

- 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.
- 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.
- 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.
- 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:
  - 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.
  - 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.
  - 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 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 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 2015, 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 is Mrs. Preeyanuch Paiboonsithiwong.

### 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 2015, 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. Suebrakul 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.

# EXECUTIVE REMUNERATION

## 1. Remuneration

- 1.1 Total remuneration for 18 members of the Company's Board of Directors was Baht 15,612,500. (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 13 Executive Board members was Baht 48,720,000 (constituting salaries, performance pay, and other benefits).

Remarks\* The 2015 Annual General Meeting of Shareholders approved payment of remuneration of Baht 16.50 million, used in actuality according to cycles of shareholders meetings of Baht 15.91 million (May'15 – Apr. '16) which varies from the results of computation under the fiscal year accounting of Baht 15.61 million (Jan. '14– Dec. '14) = Baht 300,000. Such remuneration, however, does not include payment of compensation and welfare paid to directors as employees or members of sub-committees in the Company's various working groups.

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	–	200,000	–	–
6. Mr. Sirin Nimmanahaeminda	400,000	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. Dr. Anusorn Sangnimnuan	500,000	25,000	–	–
11. Mr. Suebtrakul Soonthornthum	600,000	300,000	–	240,000
12. Dr. Jingjai Hanchanlash	600,000	187,500	–	–
13. Mr. Poomchai Lamsam	600,000	300,000	–	–
14. Mr. Vasant Chatikavanij	600,000	300,000	–	–
15. Mr. Suraphand Bhasitnirand	600,000	300,000	–	240,000
16. Dr. Sompop Chareonkul	600,000	300,000	–	–
17. Mr. Suroj Lamsam	600,000	300,000	–	–
18. Mr. Chalermchoke Lamsam	600,000	300,000	–	–
<b>Total</b>	<b>10,500,000</b>	<b>5,112,500</b>	<b>840,000</b>	<b>1,080,000</b>

## 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**

Fully recognizing its importance, it is the intention of Loxley Public Company Limited's Board of Directors to conduct its operations pursuant to the principles of Good Corporate Governance. It has, therefore, issued its policy pertaining to supervision and administration of work to be used by its executives and employees with adherence to the Stock Exchange of Thailand's Good Practice to help towards systematic and effective corporate reinforcement to enhance its competitive capacity which will give confidence to its shareholders and all relevant parties. In 2015, the Company carried out work in line with the principles of Good Corporate Governance essentially as follows:

## **1. Right of Shareholders**

The Company resolved to call an Annual General Meeting of Shareholders for the Year 2015 on 29 April 2015 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, qualified nominees for election as directors and questions in advance during the period specified by the Company at least 3 months ahead of the Annual General Meeting 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, together with the Company's performance in each year.
- 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. Such activities also include continuous 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, Alternative Energy Department, expansion business into renewable and biomass energy business. In 2015, the Company has electricity automotive as a new business; its advantages are zero emissions and energy savings, including manufactured in Thailand, 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, reduction of elevators during off-peak hours, etc.
- Formulating policy and practice guideline related to copyright, such as ensuring all employees to install computer program detecting the use of illegal software, activate firewall system detecting accessing improper websites, etc.

## **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 importance transactions, performance, financial reports (by quarterly and yearly), 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 2015.
5. The Company shall disclose the Directors and Management's Remunerations of 2015 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 at phone number 0-2348-8141, or the Company's website or email [boonlertj@loxley.co.th](mailto:boonlertj@loxley.co.th).

Apart from the information disclosure required by law and other related parties, the Company has established Investor Relations (IR) unit to communicate with shareholders, investors, analysts, press, and other relevant parties to make sure that every party has a similar understanding towards the disclosed information especially in terms of the correctness of operating performance and the progress of projects on hand. In addition, a meeting with the Company's management is held as appropriate so that some enquiries regarding to the Company can be clarified to the public. These activities are essential channels that all relevant parties can used to get connected with the Company directly and clearly. The Company can also collect the opinions and the suggestions from public to improve its operating performance as well as other services provided. Through time, the management has supported IR unit well and consistently.

In 2015, IR unit consistently participated in various activities to present the Company's business plan, operating performance, as well as other important financial information. The activities in 2015 included Opportunity Day, quarterly performance presentations both through the meetings and the company's website, analyst meeting, domestic roadshow to meet with the investors and the analysts from both Thailand and overseas countries, publications about the operating performance, and information disclosure to the analysts. The analysts gathered and analyzed the information to support the investors' decision to invest.

In 2016, IR unit has a plan to reinforce a good relationship between every relevant external party and the Company. The unit will use the received opinions from shareholders, investors, and analysts to continuously improve its service especially in terms of quality of the disclosed information which has to be correct, fair, and consistent. Investors can contact Investor Relations Unit at 0-2348-8141 or e-mail address: [boonlertj@loxley.co.th](mailto:boonlertj@loxley.co.th). The Company discloses the contact information on the website and in the annual report.

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)	Percentage of Shareholding (%)	Warrants (units)	
		20 Feb 2015	31 Dec 2015			20 Feb 2015	31 Dec 2015
1	Mr. Pairote Lamsam	37,368,481	37,368,481	-	1.65	444,862	444,862
	spouse and underage children	-	-	-	-	-	-
2	Mr. Sukit Wanglee	4,892,832	4,892,832	-	0.22	58,248	-
	spouse and underage children	-	-	-	-	-	-
3	Mr. Dhongchai Lamsam	26,732,044	26,732,044	-	1.18	318,238	318,238
	spouse and underage children	1,168,513	1,168,513	-	0.05	13,910	13,910
4	Dr. Harit Sutabutr	55,125	55,125	-	0.002	656	656
	spouse and underage children	-	-	-	-	-	-
5	Dr. Supavud Saicheua	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-
6	Mr. Charoon Chinalai	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-



No.	Name	Number of Shares		Number of Shares Increased (Decreased)	Percentage of Shareholding (%)	Warrants (units)	
		20 Feb 2015	31 Dec 2015			20 Feb 2015	31 Dec 2015
7	Mr. Joti Bhokavanij	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-
8	Gen. Vichit Yathip *	N/A	-	-	-	N/A	-
	spouse and underage children	N/A	-	-	-	N/A	-
9	Mr. Suebtrakul Soonthornthum	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-
10	Dr. Jingjai Hanchanlash	630,000	630,000	-	0.03	7,500	7,500
	spouse and underage children	2,621,850	2,621,850	-	0.12	31,212	31,212
11	Mr. Poomchai Lamsam	1,050,000	1,050,000	-	0.05	12,500	12,500
	spouse and underage children	58,012	58,012	-	0.002	690	690
12	Mr. Vasant Chatikavanij	2,242,478	2,242,478	-	0.10	23,123	23,123
	spouse and underage children	-	-	-	-	-	-
13	Mr. Suraphand Bhasitnirandr	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-
14	Dr. Sompop Chareonkul	840,000	840,000	-	0.04	10,000	10,000
	spouse and underage children	-	-	-	-	-	-
15	Mr. Suroj Lamsam	1,670,707	1,670,707	-	0.07	19,889	19,889
	spouse and underage children	-	-	-	-	-	-
16	Mr. Chalermchoke Lamsam	9,876,688	9,876,688	-	0.44	117,579	117,579
	spouse and underage children	3,920,437	3,920,437	-	0.17	46,671	46,671
17	Mrs. Kosoom Sinphurmsukskul	-	-	-	-	-	-
	spouse and underage children	5,250	5,250	-	0.000	62	62
18	Mr. Thongyai Chanthanawan	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-
19	Mr. Natavoot Chitasombat	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-
20	Mr. Saknarong Saengsangapong	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-
21	Mr. Supat Karachalkul	-	-	-	-	-	-
	spouse and underage children	-	-	-	-	-	-
22	Mr. Karn Thongyai	-	-	-	-	-	-
	spouse and underage children	5,000	5,000	-	0.000	-	-
23	Mr. Pichai Mooputtarak	21,000	21,000	-	0.001	250	250
	spouse and underage children	25,200	25,200	-	0.001	300	300

Remarks : \* Gen. Vichit Yathip was appointed to be Independent Director on 17 December 2015. The number of shares and warrants disclosed and hold by him, his spouse and underage children shown during the period of his term only.

## 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 16 members, consisting of 7 executive directors, 9 non-executive directors, and 5 of non-executive directors are independent directors, some are in the audit committee.

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 (5 directors), accounting/finance (5 directors), economics/management (3 directors) and administration/laws (3 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 stronger than 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 Board of Directors, Audit Committees, Nomination and Compensation. (More details regarding the roles and responsibilities 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 Corporate Committee 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 Self-Evaluation of Directors**

The board of directors conduct an evaluation of the entire board to enable them to review problems and obstacles occurred during the past year. Evaluation results are used to improve and develop performance of directors according to the guidelines recommended by the SET.

The evaluation divided into 6 topics: 1) Structure and qualifications of directors, 2) roles, duties and responsibilities of the board of directors, 3) meeting of the board of directors, 4) performance of the directors, 5) relationship with the management, and 6) self-development of the directors and development of executives. The result of self-evaluation of the board of directors was approximately 93.4%.

The board of directors also determined evaluation on the president to compare work performance according to the guidelines recommended by the SET; the result was approximately 96.1%. The board of directors have assigned the chairman of the board to report the result to the president and the board of directors.

## 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.

In 2015, members of the board of directors and executive board attended the development and training courses as follows:

Name	Course
1. Dr. Sompop Chareonkul	- Thammasat Leadership Program (TLP VII)
2. Mrs. Kosoom Sinphurmsukskul	- Top Executive Program in Commerce and Trade, Commerce Academy University of the Thai Chamber of Commerce
3. Mr. Saknarong Saengsangapong	- Executive Program for Management Development (Mahanakorn 2), Urban Green Development Institute Bangkok - The Rule of Law Democracy, College Constitution (Version 1), Institute of Constitution Studies, the Office of the Constituent Court - Executive Program for Senior Administrative Justice class 5, the Administrative Court - Executive Program (CMA.19) Capital Market Academy
4. Mr. Supat Karachalkul	- Director Certification Program 3/2015, Thai Institute of Directors Association - Chief Financial Officer Certification Program (CFO 19), Federation of Accounting Professions

## 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.

## **Anti-Corruption**

The Company is well aware that corruption damages the fair competition and affect development of economic and society. Therefore, the resolution of the meeting of the board of directors no. 1/2015 held on 2 March 2015 approves to pass an anticorruption guideline and practice for employees in written form together with existing corporate governance and business code of conduct. The anticorruption policy has been disseminated in the Company's website.

In executing transactions with the public sector, the Company signed the "Integrity Pact of Cooperation on Counter-Corruption in the State's Procurement of Works/Supplies" to ensure transparency and fairness. Moreover, in August 2015, it participated in activities to promote the "Building of a Good Ethical Person" for the sake of the Nation, Religion and Monarchy at Wat Dhepsirin Dharavas in conjunction with various work units and networks and is currently studying the possibility of further participation on a continuous basis. Personnel are expected to be able to use the knowledge and understanding they have gained by their participation in these activities, with relevant adaptations, in their daily lives, work and a creative society.

## **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 2015, it had 823 permanent staff, and 121 contract staff, divided by groups as follows:

Segment	Total (Personnel)
ICT Group	45
Technology Business Group	234
Project Business Group	205
Trading Business Group	194
Joint Venture Business Group	13
Service Business Group	14
Office of the President	88
Finance Group	83
Human Resources and Administration Group	58
Internal Audit Department	5
Corporate Communication Department	5
<b>Total Employees</b>	<b>944</b>

Total Personnel Remuneration of Company staff from January to December 2015 in form of salaries, wages, overtime, and bonus was Baht 534 million.

## Loxley's Staff Welfare and Benefits

The Company has provided staff welfare and benefits in various forms such as:

- Provident fund for long term saving after retirement or a separation from the Company
- Emergency loan to staffs who face with emergency difficulties
- Long service recognition to those who has been working with the Company for more than 10 years
- Company products at discount price
- Loxley also encourages good health and build good relationships among staffs and family through many activities of Loxley Staff Club.

## 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:

- 1. 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.
- 2. 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 in project management, team management, and leadership development.
- 3. 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 2015, the average training hour was 15 hours / person / year. Major training programs were as follows:

- Director Certification Program: The certification program offered by Thai Institute of Directors is a roadmap to enhance the performance of directors through precise understanding of their duties and responsibilities.
- Executives Development Program: The objective of this program is to develop leadership skill and other skills needed to sustain business success.
- Team Quality Management and Advanced Team Quality Management for Middle Management: These programs are designed to enhance business acumen and creating synergy among middle management (Assistant Manager – Senior Manager) within Loxley Group.
- Professional Supervisor: This course focuses on supervisory skills needed for supervisor in order to perform their work and manage their team.
- Young Executives Synergy: The program is designed for developing business acumen and creativity for high performers to maximize their capability to achieve business success
- English and Chinese Languages: The continual development in English and Chinese skills is crucial for all executives and staffs.

### **Occupational Safety, Health, and Working Environment**

Loxley has complied to all rules and regulations in regards to occupational safety, health, and working environment in order to maintain a healthy working condition to all staffs. We request our directors, executives, and staff to participate in various activities to create awareness and understanding in occupational safety, health, and working environment.

We state that it is a duty and responsibility of all directors, executives, and staffs to be aware, understand, and follow all procedures on these issues. During 2015, we have conducted many activities relevant to safety and occupational health such as

- Annual medical health check to all staffs
- Improve working environment physically
- Improve working environment in relations to toxic and hazardous
- Annual building check and get a certificate on building electricity
- Annual fire evacuation drill and training on basic fire fighter
- Staff training on occupational safety, health, and working environment

During 2015, workplace accident reported to be zero; and there is no absents and illness resulting from work-related incident.

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	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	82	– B.A. (Commerce) University of Manchester England – Director Accreditation Program 17/2004 Thai Institute of Directors Association	Own 37,368,481 shares 1.65 % Warrant 444,862 Units of Spouse & Children below 20 Years old None Warrant None	Brother of Mr. Dhongchai Lamsam and Mr. Poomchai Lamsam, The brother-in-Law of Dr.Jingjai Hanchanlath Uncle of Mr. Vasant Chatikavanij, Mr. Suroj Lamsam, and Mr. Chalermchoke Lamsam	1993–present	Chairman	<u>Listed Companies</u> Loxley Plc / Technology and trading business
					2000–present	Advisor to the Board	Kasikorn Bank Plc / Banking Service
					2010–present	Director	<u>Non–Listed Companies / Other Business</u> Loxley Joint and Hold Co., Ltd. / Holding company
					1995–present	Chairman	Loxley Trading Co., Ltd. / Sale of consumer products
						Director	NS BlueScope (Thailand) Limited /
						Director	Manufacture and sale of cold rolled steel
						Director	NS BlueScope Lysaght (Thailand) Limited /
						Director	Manufacture and sale of steel roofing
					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
					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
					present	Director	Chulindrawongs Co., Ltd. / Holding company
					present	Director	Phatrasamphant Co., Ltd. / Holding company
					present	Director	Lamsam Import Co., Ltd. / Holding company
					present	Director	Navakit Co., Ltd. / Holding company
					present	Director	Nitisa Co., Ltd. / Apartment service
					present	Director	Sathirapatana Co., Ltd. / Holding company
					present	Director	Paotkrispong Co., Ltd. / Holding company
					present	Director	Pruedthithada Co., Ltd. / Holding company
					present	Director	Rajprasongwattana Co., Ltd. / Forestry industry

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
2. Mr. Sukit Wanglee - Vice Chairman Since 01/04/1993	85	- Mechanical Engineering Leicester College, England - Director Accreditation Program 12/2004 Thai Institute of Directors Association	Own 4,892,832 shares 0.22 % Warrant None  of Spouse & Children below 20 Years old None Warrant None	None	2010-present	Chairman	<u>Listed Companies</u> Thai Metal Drum Manufacturing Plc / Producer and supplier of steel drum containers
					2003-present	Chairman	Rojana Industrial Park Plc / Property development
					1993-present	Vice Chairman	Loxley Plc/Technology and trading business
					1996-present	Chairman	<u>Non-Listed Companies / Other Business</u> Poonphol Co., Ltd. /
					1990-present	Director	Holding company and trader of agricultural products
					1984-present	Director	Ekpavee Co., Ltd. / Holding company
3. Mr. Dhongchal Lansam - President Since 09/04/1976 - Nominating & Remuneration Committee Member Since 01/04/1993	69	- Honorary PhD Degree, Business Administration, Kasem Bundit University - Bachelor of Science (Honors), Chemical Technology, Chulalongkorn University - M.Sc. Industrial Engineering Illinois Institute of Technology, U.S.A. - Advanced Management Program, Harvard Business School, U.S.A. - Director Accreditation Program 12/2004 Thai Institute of Directors Association	Own 26,732,044 shares 1.27 % Warrant 318,238 Units  of Spouse & Children below 20 Years old 1,168,513 shares 0.05 % Warrant 13,910 Units	Brother of Mr. Parote Lansam and Mr. Poomchai Lansam Brother-in-law of Dr.Jingjai Hanchanlath Uncle of Mr. Vasant Chatikavanij and Mr. Suroj Lansam Cousin of Mrs. Kosoom Sinphurmsukskul Father of Mr. Chalermchoke Lansam	1993-present	President	<u>Listed Companies</u> Loxley Plc / Technology and trading business
					2012-present	Chairman	<u>Non-Listed Companies / Other Business</u> L Food Solutions Co., Ltd. / Food service
					2010-present	Director	Loxley Joint and Hold Co., Ltd. / Holding company
					2006-present	Chairman	Asia Security Management Co., Ltd. / Security service
					2005-present	Director	Loxley Global Co., Ltd. / Holding company
					2003-present	Director	L-TAG Technologies Co., Ltd. / Sale of construction materials and installation service of waste water treatment system and other sanitation
					2003-present	Director	Loxley GTECH Technology Co., Ltd. / Sale and service of information technology and online lottery sale system
					2001-present	Chairman	Loxley Wireless Plc / Sale and service of telecommunication and information technology systems
					2000-present	Director	Law Enforcement Technology Solutions Co.,Ltd. / Design and installation services of security systems
					1996-present	Director	Thai Fiber Optics Co., Ltd. / Manufacture of fiber optic
					1995-present	Chairman	Data Mining Co., Ltd. / Service of information technology equipment and computer systems
					1994-present	Director	BP - Castrol (Thailand) Limited / Sale of Castrol and BP lubricant
					1990-present	Managing Director	Ekpavee Co., Ltd. / Holding company
					1989-present	Director	Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	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	79	– Ph.D. Mechanical Engineering University of California, Berkeley – Director Accreditation Program 16/2004 Thai Institute of Directors Association	Own 55,125 shares 0.002% Warrant 656 Units  of Spouse & Children below 20 Years old None Warrant None	None	1981–present	Director	NS BlueScope (Thailand) Limited / Manufacture and sale of cold rolled steel
					1977–present	Managing Director	Loxley International Co., Ltd. / Maintenance services for computer, communication systems and project consultant
					1972–present	Director	Loxley Trading Co., Ltd. / Sale of consumer products
					1960–present	Director	Zin Suapah Co., Ltd. / Parking service
					present	Director	Lamsam Estate Co., Ltd. / Holding company
					present	Director	Chulindrawongs Co., Ltd. / Holding company
					present	Director	Lamsam Import Co., Ltd. / Holding company
					present	Director	Nitisa Co., Ltd. / Apartment service
					present	Director	Sathira Phattana Co., Ltd. / Holding company
					present	Director	Uni- Technology Education and Management Centre Co., Ltd. / Property Management
5. Dr. Supavud Saicheua – Independent Director Since 28/02/2008	59	– Ph.D. in Economics University of Hawaii at Manoa, U.S.A. – M.A. in Economics University of the Philippines (Diliman), Philippines – B.A. in Economics Victoria University of Wellington, New Zealand	Own None Warrant None  of Spouse & Children below 20 Years old None Warrant None	None	1993–present	Independent Director	<b>Listed Companies</b> Loxley Plc / Technology and trading business
					2002–present	Senior Adviser to the President	<b>Non-Listed Companies / Other Business</b> National Science and Technology Development Agency / Government entity
					1998–present	Vice Chairman of the University Council	King Mongkut's University of Technology Thonburi / University Council
					2007–present 2005–present	Independent Director Executive Director Managing Director (Head of Research)	<b>Listed Companies</b> Loxley Plc / Technology and trading business Phatra Securities Plc / Securities service
					2016	Expert Member of Investment Committee	<b>Non-Listed Companies / Other Business</b> Government Pension Fund / Independent entity under the supervision of Ministry of Finance
					2013–Present	Special Expert	Thailand Creative Economy Agency / Government entity



# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
		<ul style="list-style-type: none"> <li>Director Accreditation Program 36/2005 Thai Institute of Directors Association</li> </ul>			2012–Present 2007–Jan 2008 2006–present 2006–present 2011–2014 2011–2013 2008–2011	Advisor of Investment Committee Committee Sub-Committee Trustee Commission Member Committee Investment Expert of Investment Committee	Government Pension Fund / Independent entity under the supervision of Ministry of Finance 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 <b>Working Experience for the Past 5 Years :</b> 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
6. Mr. Charoon Chinalai – Independent Director Since 01/04/1993 – Audit Committee Member Since 27/12/2001 – Chairman of Nominating & Remuneration Committee Since 29/02/2012	77	<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>	Own None Warrant None of Spouse & Children below 20 Years old None Warrant None	None	1993–present 2002–present 1992–present 1980–present	Independent Director Independent Director Director Director Director	<b>Listed Companies</b> Loxley Plc / Technology and trading business <b>Non-Listed Companies / Other Business</b> NS BlueScope Lysaght (Thailand) Limited / Manufacture and sale of steel roofing Parinda Plc / Quarry concession and stone mill factory Coffral-Thai Co., Ltd. / Construction equipment rental service EkThana Engineering Co., Ltd. / Rental of construction equipment
7. Mr. Joti Bhokavanij – Independent Director Since 30/04/2012 – Audit Committee Member Since 20/06/2012	73	<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> </ul>	Own None Warrant None of Spouse & Children below 20 Years old None Warrant None	None	2013–present 2013–present 2012–present 1999–present	Chairman Independent Director and Audit Committee Member Independent Director and Audit Committee Member Independent Director and Member of the Audit Committee	<b>Listed Companies</b> Bangkok Ranch Plc / Provide product from duck meat Siam Makro Plc / Wholesale business Loxley Plc / Technology and trading business True Corporation Plc / Information and communication services

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
<ul style="list-style-type: none"> <li>- Marketing Management Programme, Stanford University, Graduate School of Business, USA.</li> <li><i>Related training programs held by the Thai Institute of Directors Association (IOD)</i></li> <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 (MFR)</li> <li>- Successful Formulation &amp; Execution of Strategy (SFE)</li> <li>- How to Measure the Success of Corporate Strategy (HMS)</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>					present	Member of the Finance Committee and Member of the Compensation and Nominating Committee	<u>Non-Listed Companies / Other Business</u> Thai Smart Card Co., Ltd. / Additional service to financial institutions Bangkok Inter Teletech Plc / Holding company True Move Co., Ltd. / Mobile phone operator and distributor Kingfisher Holdings Limited / Frozen seafood business
					2009-present	Director	
					2002-present	Director	
					2002-present	Director	
					1999-present	Director	

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
8. General Vichit Yathip - Independent Director Since 17/12/2015	69	<ul style="list-style-type: none"> <li>- Master of Political Science, Bangkokthonburi University</li> <li>- Command and General Staff College Class 60</li> <li>- BA., Chulachomklao Royal Military Academy Class 20</li> <li>- Armed Forces Academies Preparatory School Class 9</li> <li>- Director Certification Program 105/2008 Thai Institute of Directors Association (IOD)</li> <li>- National Defence Program, Joint Public-Private Sectors, Class 9, the National Defence College</li> <li>- Modern Management class 1, the National Defence College</li> <li>- Top Management Program, Class 7/2008, Capital Market Academy</li> <li>- Politics and Government in Democratic Systems for Executive class 12, King Prajadhipok's Institute</li> <li>- Top Executive Program in Commerce and Trade class 3, Commerce Academy</li> </ul>	<ul style="list-style-type: none"> <li>Own</li> <li>None</li> <li>Warrant</li> <li>None</li> <li>of Spouse &amp; Children below 20 Years old</li> <li>None</li> <li>Warrant</li> <li>None</li> </ul>	None	Dec 2015-present	President	<u>Listed Companies</u> Loxley Plc / Technology and trading business
					2014-present	Independent Director and Chairman of the Audit Committee	Three Sixty Five Plc / Public relations and advertising services
					2014-present	Independent Director	Mc Group Plc / Retailing business of apparels and lifestyle
					2013-present	Independent Director and Member of the Audit Committee	Bangkok Airways Plc / Airline, airport services
					2012-present	Chairman of the Board	Nippon Pack (Thailand) Plc / Manufacture and sales of flexible plastic packaging
					2010-present	Independent Director and Member of the Audit Committee	Vanachai Group Plc / Manufacture of wood-based panels
					2015-present	President	<u>Non-Listed Companies / Other Business</u> Thailand-Cambodia Friendship Association
					present	Chairman of Advisor	Tipco Group / Manufacture and sales of fruit juice
						Graduate Vice President	Nakhon Phanom University Council
					2010-present	Director	Thai-Chinese Culture and Economy Association
						Director	Singsianyerpao Co., Ltd. / Daily Newspaper

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
9. Mr. Suebtrakul Soonthornthum – Director – Senior Executive Vice President Since 01/04/1993 – Nominating & Remuneration Committee Member Since 14/11/2003	73	– MBIM, Hon.Dlitt : Curtin University, Australia – PMD, Harvard University, Graduate School of Business Administration – U.S.A. – National Defense College – Thailand – Director Accreditation Program 17/2004 Thai Institute of Directors Association	Own None Warrant None  of Spouse & Children below 20 Years old None Warrant None	None	2004–present	Director	<b>Listed Companies</b> United Overseas Bank (Thai) Plc / Banking service
					2000–present	Chairman	Muang Thai Real Estate Plc / Real estate business
					1996–present	Independent Director	Vanachai Group Plc / Creates quality wood-based panels to substitute natural wood
					1993–present	Senior Executive Vice President	Loxley Plc / Technology and trading business
					2013–present	Director	<b>Non-Listed Companies / Other Business</b> BlueScope Buildings (Thailand) Limited / Provide pre-engineered building solution
					2010–present	Director	Loxley Joint and Hold Co., Ltd. / Holding company
					2006–present	Director	Asia Security Management Co., Ltd. / Security service
						Director	Loxley Global Co., Ltd. / Holding company
					2004–present	Director	Data Mining Co., Ltd. / Service of information technology equipment and computer systems
					2003–present	Director	Loxley GTECH Technology Co., Ltd. / Sale and service of information technology and online lottery sale system
					1999–present	Director	BP – Castrol (Thailand) Limited / Sale of Castrol and BP lubricant
					1994–present	Director	Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services
					1992–present	Chairman	Foseco (Thailand) Limited / Manufacture and sale of chemicals for metal casting
					1990–present	Director	Ekpavee Co., Ltd. / Holding company
					1987–present	Director	NS BlueScope (Thailand) Limited / Manufacture and sale of cold rolled steel
						Director	NS BlueScope Lysaght (Thailand) Limited / Manufacture and sale of steel roofing
						Independent Director	Muang Thai Life Assurance Plc / Life insurance business
					1977–present	Director	Loxley Trading Co., Ltd. / Sale of consumer products
					1972–present	Director	Zin Suapah Co., Ltd. / Parking service

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
10. Dr. Jingjai Hanchanlath - Director Since 15/05/2014	73	<ul style="list-style-type: none"><li>- Doctorat d'Universite de CAEN, France</li><li>- Certificate in Project Analysis, University of Connecticut, U.S.A.</li><li>- Certificate in Mid-Career Management Training, University of Western Ontario, Canada</li><li>- Director Accreditation Program 1/2003</li><li>- Audit Committee Program 19/2007</li><li>Thai Institute of Directors Association</li></ul>	<div>Own 630,000 shares 0.03% Warrant 7,500 Units</div> <div>of Spouse &amp; Children below 20 Years old 2,621,850 shares 0.12 % Warrant 31,212 Units</div>	Brother-in-law of Mr.Pairote Lamsam, Mr.Dhongchai Lamsam, and Mr.Poomchai Lamsam  Uncle-in-law of Mr.Vasant Chatikavanij, Mr.Suroj Lamsam, and Mr.Chalermschoke Lamsam	2015-present	Independent Director	<u>Listed Companies</u> Thai Wah Plc / Manufacture and distribute various products Loxley Plc / Technology and trading business Mueang Thai Insurance Plc. / Insurance business Asian Phytochemicals Public company Limited / Manufacture of dietary supplements, cosmetics and personal care products developed from natural plant and botanical extracts Laguna Resorts & Hotels Public Company Limited / Hotel operations <u>Non-Listed Companies / Other Business</u> King Prajadhipok Institute/ Government entity  The Thailand Research Fund (TRF) / Government entity Office of the Public Sector Development Commission / Government entity (Ministry of Foreign Affairs of The Kingdom of Thailand) King Prajadhipok Institute / Government entity Saranrom Institute of Foreign Affairs Foundation SPIE Oil & GAS Service (Thailand) Ltd. / Oil & gas exploration & production Chumbhot-Pantip Foundation Council / Foundation Alliance Francaise/ Association Honorary Consulate of Jamaica to Thailand / Consulate The Thai Chamber of Commerce and Board of Trade of Thailand Meking Region Law Centre / Non-profit association  Jenlak Vie Consulting/ Consulting Business
					2014-present	Director	
					2009-present	Expert Director Member	
					2007-present	Director	
					2005-present	Member of the Council	
					2004-present	Member	
					1997-present	Board Member	
					1996-present	Member	
						President	
						Honorary Consul	
	Member						
	Member of the Executive Board						
	Board						
	Board						
11. Mr. Poomchai Lamsam - Director Since 01/04/1993	67	<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</li><li>Thai Institute of Directors Association</li></ul>	<div>Own 1,050,000 shares 0.05% Warrant 12,500 Units</div> <div>of Spouse &amp; Children below 20 Years old 58,012 shares 0.002% Warrant 690 Units</div>	Brother of Mr. Pairote Lamsam and Mr. Dhongchai Lamsam Brother-in-law of Dr.Jingjai Hanchanlath Uncle of Mr. Vasant Chatikavanij, Mr. Suroj Lamsam, and Mr. Chalermschoke Lamsam	2010-present	Advisor	<u>Listed Companies</u> Muang Thai Insurance Plc / Insurance business Loxley Plc / Technology and trading business Phatra Leasing Plc / Car leasing management and administration for juristic persons <u>Non-Listed Companies / Other Business</u> Muang Thai Life Assurance Plc / Life insurance business Muangthai Holding Co., Ltd. / Holding company Muangthai Real Estate Plc / Real estate business The Phatra Samphant Co., Ltd. / Holding company Chulindrawongs Co., Ltd. / Holding company Chuthapoom Ltd. / Property Management
					1993-present	Director	
					1987-present	Vice Chairman	
					2010-present	Director and Advisor	
						Director	
					1988-present	Director	
					present	Director	
					present	Director	
					present	Director	
					present	Director	



# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
12. Mr. Vasant Chatikavanij	59	- M.S.Chemical Engineering, Lehigh University, U.S.A.	Own 2,242,478 shares	Nephew of Mr. Pairote Lamsam,	2011-present	Senior Executive	<u>Listed Companies</u> Loxley Plc / Technology and trading business
- Director			0.10 %	Mr. Dhongchai Lamsam,		Vice President	
- Senior Executive			Warrant	Mr. Poomchai Lamsam	2012-present	Director	<u>Non-Listed Companies / Other Business</u> Loxley & AIT Holding Co., Ltd. /
Vice President			23,123 Units	and	2011-present	Chairman	Provide installation service of power plant telecommunication
Since 01/04/1994			of Spouse & Children below 20 Years old	Dr.Jingjai Hanchanlath			Loxley Mobile Co., Ltd. /
			None	Cousin of	2009-present	Director	Sale and service of various prepaid electronics cash card
			Warrant	Mr. Suroj Lamsam and	2007-present	Director	Muangthai Asset Co., Ltd. / Holding company
			None	Mr. Chalermchoke Lamsam			Mobile Innovation Co., Ltd. /
						Director	Service of real time vehicles tracking management system
					2006-present	Chairman	Loxley Wireless Plc / Sale and service of telecommunication and information technology systems
							NetONE Network Solution Co., Ltd. / Trading of computer, computer spare parts and equipment, of all types
					1999-present	Chairman	Loxbit PA Plc /
					1995-present	Director	Telecommunication and computerized database service
							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
					1990-present	Director	Ekpavee Co., Ltd / Holding company
					1989-present	Director	Loxley Property Development Co., Ltd./
					1981-present	Director	Renting of building, advertising board and providing services
							Loxley International Co., Ltd. / Provide maintenance services for computer, communication systems and project consultant
							<u>Working Experience for the Past 5 Years :</u>
					2008-2014	Chairman	Ecartstudio Co., Ltd./ Develop and offer software consultation

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
13. Mr. Suraphand Bhasitirandir - Director - Senior Executive Vice President Since 01/02/1999 - Nominating & Remuneration Committee Member Since 14/11/2003	64	<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 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>	<ul style="list-style-type: none"> <li>Own</li> <li>None</li> <li>Warrant</li> <li>None</li> <li>of Spouse &amp; Children below 20 Years old</li> <li>None</li> <li>Warrant</li> <li>None</li> </ul>	None	2011-present	<ul style="list-style-type: none"> <li>- Senior Executive Vice President</li> <li>- Chairman of Management committee of Trading and International Business</li> <li>- Chairman of Human Resources and Corporate Administration Group</li> </ul>	<u>Listed Companies</u> Loxley Plc / Technology and trading business
					2015-present	Vice Chairman	<u>Non-Listed Companies / Other Business</u> Thai National Shippers' Council
					2014-present	Chairman	Car Convenience Co., Ltd. / Provide quick car body and paint repair and sell franchise of "Car Con" car body and paint repair workshops Solana Marketing Co., Ltd. / Provide services on Event Organizing: eg. Concerts, Sport Games BlueScope Buildings (Thailand) Limited / Provide pre-engineered building solution Loxley Intertrade (Guangzhou) Co., Ltd. / Trading in the People's Republic of China L Green Solution Co., Ltd. / Provide alternative energy Mainstay Property Solutions Co., Ltd. / Provide general cleaning services Nakhon Pathom Rajabhat University / Government educational institution SCL Co., Ltd. / Trading in Lao People's Democratic Republic Parts Zone (Thailand) Company Limited / Trading in automotive parts and equipment Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services Loxley Trading Co., Ltd. / Sale of consumer products L-Elevator and Engineering Co., Ltd. / Sale and installation of elevators and escalators L-TAG Technologies Co., Ltd. / Sale of construction materials and installation service of waste water treatment system and other sanitation

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
14. Dr. Sompop Chareonkul - Director - Senior Executive Vice President Since 15/05/2002	67	<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 15/2004</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>- Poornpalungpandin Program (RIAL I) Chulalongkorn University</li> <li>- Advanced Political and Electoral Development Program APED IV</li> <li>Political and Electoral Development Institute, Office of The Election Commission of Thailand</li> </ul>	Own 840,000 shares 0.04% Warrant 10,000 Units  of Spouse & Children below 20 Years old None Warrant None	None	2011-present	Senior Executive Vice President	<u>Listed Companies</u> Loxley Plc / Technology and trading business  <u>Non-Listed Companies / Other Businesses</u> LS Technology Solutions Co., Ltd. / Operate the security technology solutions in Asian region Asia Security Management Co., Ltd. / Ssecurity service  Law Enforcement Technology Solutions Co.,Ltd. / Design and installation services of security systems Loxley Trading Co., Ltd. / Sale of consumer products <u>Working Experience for the Past 5 Years :</u> Postique Co., Ltd. / Advertising and film services Oriental Post Co.,Ltd. / Adversing series post production service
					2013-present	Chairman	
					2008-present	Chairman of the Executive Board	
					2007-present	Chairman of the Executive Board Director	
					2008-2015	Director	
					1998-2015	Executive Director	

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
		<ul style="list-style-type: none"> <li>- The 3<sup>rd</sup> Metropolis Development Programmer for Top Executives (the Metropolis 3)</li> <li>- Thammasat Leadership Program (TLP VII)</li> </ul>					
15. Mr. Suroj Lamsam	49	<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 Prajadhikok's Institute</li> <li>- Director Accreditation Program 40/2005 Thai Institute of Directors Association</li> </ul>	Own 1,670,707 shares 0.08% Warrant 19,889 Units of Spouse & Children below 20 Years old None Warrant None	Nephew of Mr. Parote Lamsam, Mr. Dhongchai Lamsam, Mr. Poomchai Lamsam, and Dr. Jingjai Hanchanilash Cousin of Mr. Vasant Chatikavanij and Mr. Chalermchoke Lamsam	2011 – present  2012 – present 2011 – present  2008 – present   2005 – present 2000 – present 1999 – present   1997 – present  present present present present present  2011 – 2014	Senior Executive Vice President  Director Director  President  President  Director President Director  Director Director Director  Director Director Director Director Director Director Director	<b>Listed Companies</b> Loxley Plc / Technology and trading business  <b>Non-Listed Companies / Other Business</b> L Food Solutions Co., Ltd. / Food service Loxley Mobile Co., Ltd. / Sale and service of various prepaid electronics cash card Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services Data Mining Co., Ltd. / Service of information technology equipment and computer systems Ekapavee Co., Ltd / Holding company Thai Gateway Co., Ltd. / Trading of telecommunication equipment Loxbit PA Plc / Telecommunication and computerized database service Thanakorn Vegetable Oil Co., Ltd. / Manufacture and sale of vegetable oil Navakij Co., Ltd. / Holding company Lamsam Estate Co., Ltd. / Holding company L Business Process Outsourcing Co., Ltd. / Sale of printing ink and printing services The Phatra Samphant Co., Ltd. / Holding company PointAsia Land Development Co., Ltd. / Geological service Ruam Samphant Co., Ltd. / Holding company Suludee Co., Ltd. / Holding company Vanatham Co., Ltd. / Land leasing Kijkhannoon Co., Ltd. / Holding company <b>Working Experience for the Past 5 Years :</b> National Innovation Agency / Public organization

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
16. Mr. Chalermchoke Lamsam - Director - Senior Executive Vice President Since 22/12/2010	42	- Bachelor of Business Administration, Chulalongkorn University - MBA, Seattle University, U.S.A. - Public Administration and Public Laws, King Prajadhipok's Institute - Director Accreditation Program 106/2013 Thai Institute of Directors Association	Own 9,876,688 shares 0.44 % Warrant 117,579 Units  of Spouse & Children below 20 Years old 3,920,437 shares 0.17 % Warrant 46,671 Units	Son of Mr. Dhongchai Lamsam Nephew of Mr. Pairote Lamsam, and Mr. Poomchai Lamsam, and Dr.Jingjai Hanchanlash Cousin of Mr. Vasant Chatikavanij and Mr. Suroj Lamsam	2011-present	Senior Executive Vice President	<b>Listed Companies</b> Loxley Plc / Technology and trading business
					2012-present	Advisor to MD	Muang Thai Insurance Plc / Insurance business
					2015-present	Director	<b>Non-Listed Companies / Other Business</b> Loxley Power Systems Co.,Ltd. / Construction of electrical Substation & transmission and provide electrical system
					2014-present	Director	L Solar 2 Co., Ltd. / Operate solar power plant
					2013-present	Director	SLA Asia Co., Ltd. / Installation of telecommunication
					2013-present	Director	LS Technology Solutions Co., Ltd. /
					2012-present	Director	Operate the security technology solutions in Asian region
					2012-present	Director	L Green Solution Co., Ltd. / Provide alternative energy
					2012-present	Director	Green Natural Products Co., Ltd. /
					2011-present	Director	Manufacture and sale of kaffir oil, essential oil, and other healthcare products
					2011-present	Director	L Force 1 Co., Ltd. / Supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting
					2010-present	Director	Loxley Mobile Co., Ltd. / Sale and service of various prepaid electronics cash card
					2010-present	Director	Loxley Wireless Plc / Sale and service of telecommunication and information technology systems
					2010-present	Director	Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services
					2005-present	Director	L Solar 1 Co., Ltd. / Operate solar power plant
					2002-present	Director	Thai Fiber Optics Co., Ltd. / Manufacture of fiber optic
					2002-present	Director	L-TAG Technologies Co., Ltd. / Sale of construction materials and installation service of waste water treatment system and other sanitation
					2002-present	Director	Ekpavee Co., Ltd / Holding company
					2002-present	Director	Law Enforcement Technology Solutions Co.,Ltd. / Design and installation services of security systems

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
17. Mrs. Kosoom Sinphurmsukskul - Executive Vice President Since 01/01/2012					2000-present	Executive Director	Loxley International Co., Ltd. / Provide maintenance services for computer, communication systems and project consultant
					1998-present	Director	LTS Travel Service Co., Ltd. / Tourism business and sale of plane tickets
					present	Director	PointAsia Land development Company Limited / Geological service
					present	Director	Uni-Technology Education and Management Centre Co., Ltd. / Property Management
					<b>Working Experience for the Past 5 Years :</b>		
					2008-2010	Executive Vice President	Loxley Plc/Technology and trading business
				Cousin of Mr. Dhongchai Lansam	2012-present	Executive Vice President	<b>Listed Companies</b> Loxley Plc / Technology and trading business
					2015-present	Director	<b>Non-Listed Companies / Other Business</b> Loxley Intertrade (Guangzhou) Co., Ltd. / Trade in China
					2012-present	Director	L Food Solutions Co., Ltd. / Food service
						Director	Thai Herbal Product Co., Ltd. / Produce herbal products in phytopharmaceutical style
					2000-present	Managing Director	Loxley Trading Co., Ltd. / Sale of consumer products
					2005-2012	Director	<b>Working Experience for the Past 5 Years :</b> L-TAG Technologies Co., Ltd. / Sale of construction materials and installation service of waste water treatment system and other sanitation



# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
18. Mr. Thongyai Chanthanawan - Executive Vice President Since 01/01/2012	58	<ul style="list-style-type: none"> <li>- Bachelor in Electrical Engineering (Power) Kasetsart University</li> <li>- Director Accreditation Program 99/2013</li> <li>- Director Certification Program 168/2013</li> <li>Thai Institute of Directors Association</li> </ul>	Own None Warrant None  of Spouse & Children below 20 Years old None Warrant None	None	2012-present	Executive Vice President	<u>Listed Companies</u> Loxley Plc / Technology and trading business
					2012-present	Director	<u>Non-Listed Companies / Other Business</u> Loxley & AIT Holding Co., Ltd. / Provide installation service of power plant telecommunication
					1997-present	Managing Director	Loxley Wireless Plc / Sale and service of telecommunication and information technology systems
					Dec 2015-present	Director	LWSN Co., Ltd.
					Dec 2015-present	Director	LWTN Co., Ltd.
19. Mr. Natavoot Chitasombat - Executive Vice President Since 01/01/2012	59	<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</li> <li>Thai Institute of Directors Association</li> </ul>	Own None Warrant None  of Spouse & Children below 20 Years old None Warrant None	None	2012-present	Executive Vice President	<u>Listed Companies</u> Loxley Plc / Technology and trading business
					2015-present	Director	<u>Non-Listed Companies / Other Business</u> Loxley Power System Co.,Ltd. / Construction of electrical Substations & transmission and provide electrical system
					2012-present	Director	L Green Solution Co., Ltd. / Provide alternative energy
						Director	Thanthya Technology Company Limited / Manufacture and sale of water and waste water treatment equipment and systems

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
20. Mr. Saknarong Saengsangapong - Executive Vice President Since 01/01/2012	54	<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 Prajadhikop'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> <li>- Executive Program for Management Development (Mahanakorn 2), Urban Green Development Institute Bangkok</li> </ul>	<ul style="list-style-type: none"> <li>Own</li> <li>None</li> <li>Warrant</li> <li>None</li> <li>of Spouse &amp; Children below 20 Years old</li> <li>None</li> <li>Warrant</li> <li>None</li> </ul>	None	2012-present	Executive Vice President	<u>Listed Companies</u> Loxley Plc / Technology and trading business
					2006-Present	President & CEO	<u>Non-Listed Companies / Other Business</u> LOXBIT Plc / Trading of telecommunication equipment, computers and computer programs
					2004-Present	Director	L Hardware & Services Co., Ltd. / Installation and repair of IT equipment, sale of computers and peripherals
					1998-present	Director	NetONE Network Solution Co., Ltd. / Trading of computer, computer spare parts and equipment, of all types
					1993-present	President	Professional Computer Co., Ltd. / Supply, maintenance and set up of work system, installation of computers and management of installation of computers and management of computerized center

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
		<ul style="list-style-type: none"> <li>- The Rule of Law Democracy, College Constitution (Version 1), Institute of Constitution Studies, The Office of the Constitution Court</li> <li>- Executive Program for Senior Administrative Justice class 5, The Administrative Court</li> <li>- Executive Program (CMA.19) Capital Market Academy</li> </ul>					
21. Mr. Supat Karachakul - Executive Vice President Since 01/01/2012	51	<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> <li>- Anti-Corruption for Executive Program 12/2014</li> <li>- Thai Institute of Directors Association</li> </ul>	Own None Warrant None  of Spouse & Children below 20 Years old None Warrant None	None	2012-present  2011-present  2014-present  2013-present   2010-present 2006-present  2006-2011	Executive Vice President Chief Financial Officer  Director  Director  Director Director Director  Senior Vice President of Financial Management Dept.	<b>Listed Companies</b> Loxley Plc / Technology and trading business  Loxley Plc / Technology and trading business <b>Non-Listed Companies / Other Business</b> Car Convenience Co., Ltd. / Provide quick car body and paint repair and sell franchise of "Car Con" car body and paint repair workshops LS Technology Solutions Co., Ltd. / Operate the security technology solutions in Asian region L Green Solution Co., Ltd. / Provide alternative energy Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services L Solar 1 Co., Ltd. / Operate solar power plant Loxley Global Co., Ltd. / Holding company Asia Security Management Co., Ltd. / Provide security service <b>Working Experience for the Past 5 Years :</b> Loxley Plc / Technology and trading business

# Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
		<ul style="list-style-type: none"> <li>– IOD's 3<sup>rd</sup> National Director Conference 2014 "Improving Corporate Governance: Key to Advancing Thailand" Thai Institute of Directors Association</li> <li>– Director Certification Program 3/2015 Thai Institute of Directors Association</li> <li>– Chief Financial Officer Certification Program CFO 19 Federation of Accounting Professions</li> </ul>					
22. Mr. Karn Thongyai – Executive Vice President Since 01/01/2015	55	<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 2</li> <li>– Financial Statement for Director 4/2010 Thai Institute of Directors Association</li> </ul>	Own None Warrant None  of Spouse & Children below 20 Years old 5,000 shares 0.0002% Warrant None	None	2014–present  2013–present  2006–present	Executive Vice President  Director  Chief Executive Officer  Managing Director	<u>Listed Companies</u> Loxley Plc / Technology and trading business  <u>Non-Listed Companies / Other Business</u> LS Technology Solutions Co., Ltd. / Operate the security technology solutions in Asian region Asia Security Management Company Limited / Provide security Asian region Law Enforcement Technology Solutions Co.,Ltd. / Design and installation services of security systems

## Information of Company Executives

Name / Position / Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 Dec 2015	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization / Type of Business
23. Mr. Pichai Mooputtarak - Company Secretary Since 11/01/2008	57	<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 (EMT11/2008)</li> <li>- Anti-Corruption for Executive Program 12/2014</li> <li>Thai Institute of Directors Association</li> </ul>	Own 21,000 0.001 % Warrant 250 Units  of Spouse & Children below 20 Years old 25,200 shares 0.001 % Warrant 300 Units	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 9 - 16 are directors who have the authorizes to sign and bind the Company as specified in Company's Certificate.

## INFORMATION OF DIRECTORS' AND EXECUTIVE'S POSITIONS IN THE RELATED COMPANIES

Company	Director	Direct and Indirect Subsidiaries																											Joint Ventures				
		1. Loxley Wireless Public Company Limited	2. Data Mining Co., Ltd.	3.Loxbit Public Company Limited	4. Loxley Joint and Hold Co., Ltd.	5. Loxley Mobile Company Limited	6. L Food Solutions Company Limited	7. Loxley Intertrade (Guangzhou) Co., Ltd.	8. L Green Solution Company Limited	9. Asia Security Management Co., Ltd.	10. Loxley Property Development Co., Ltd.	11. Societe Commercial Lao	12. L Force 1 Co., Ltd.	13. Loxley Global Co., Ltd.	14. Loxley Trading Co., Ltd.	15. Green Natural Product Co., Ltd.	16. L-Elevator and Engineering Co., Ltd.	17. Loxley Power Systems Co., Ltd.	18. L Solar 1 Co., Ltd.	19. LB EV Co., Ltd.	20. Professional Computer Company Limited	21. Loxbit PA Public Company Limited	22. NetOne Network Solution Co., Ltd.	23. Thai Gateway Company Limited	24. L Hardware & Services Co., Ltd.	25. L Solar 2 Co., Ltd.	26. LWSN Company Limited	27. LMTN Company Limited	1. Loxley & AIT Holding Co., Ltd.	2. LS Technology Solutions Company Limited	3. SLA Asia Co., Ltd.	4. Car Convenie Co., Ltd.	
<div></div>	1. Mr. Pairote Lamsam	C			/					C				C																			
	2. Mr. Sukit Wanglee	/																															
	3. Mr. Dhongchai Lamsam	P	C	C	/		C		C	/				C	/																		
	4. Dr. Harit Sutabutr	/																															
	5. Dr. Supavud Saicheua	/																															
	6. Mr. Charoon Chinalai	/																															
	7. Mr. Joti Bhokavanij	/																															
	8. Gen. Vichit Yathip	/																															
	9. Mr.Suebtrakul Soonthornthum	//		/		/				/	/			/	/																		
	10. Dr. Jingjai Hanchanlash	/										/																					
	11. Mr. Poomchai Lamsam	/																															
	12. Mr. Vasant Chatikavanij	//	/	/	C		C				/											C	C				/	/	/				
	13. Mr. Suraphand Bhasitnirandr	//						/	C	C		/	/		/		C															/	
	14. Dr. Sompop Chareonkul	//								/					/																C		
	15. Mr. Suroj Lamsam	//		P		/	P				P													/									
	16. Mr. Chalermchoke Lamsam	//	/			/			/	/	/		/			/		C	/	/						/				/	/		
	17. Mrs. Kosoom Sinphumsukskul	///						/								P																	
	18. Mr. Thongyai Chanthanawan	///	P																								/	/	/				
	19. Mr. Natavoot Chitasombat	///							/					/				/															
	20. Mr. Saknarong Saengsangapong	///			P																P		/	/									
	21. Mr. Supat Karachalkul	///							/	/	/			/					/											/			/
	22. Mr. Karn Thongyai	///								P																				/			

Remark : C = Chairman P = President / = Director // = Senior Executive Vice President /// = Executive Vice President



Company   <
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Remark : C = Chairman P = President / = Director // = Senior Executive Vice President /// = Executive Vice President

## INFOMATION OF DIRECTORS' POSITION IN THE SUBSIDIARIES

Company   
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Remarks : P = President / = Director

Company   <
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Remarks : P = President / = Director

# **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, 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 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. Moreover, 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 2015 was Mrs. Preeyanuch Paiboonsithiwong who has the required qualifications, knowledge, skills, experience and ability to efficiently perform the duty.

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. 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.

## **1. Control Environment**

The Company has determined vision, objective, strategy, budget, 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 – which is considered as the essence of the internal control. The Company has set good work environment and regulations that covers every type of transactions, including continue human resource's development 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. Various action were taken by the Company to reduce, avoid and participate in risks management in order to ensure that its risks are maintained at an appropriate and acceptable level by supporting various work units in the Company to recognize their risks and to ensure that appropriate and efficacious action are taken to manage risks at every levels in the Company.

## **3. Control**

Duties and responsibilities in the Company are divided into groups according to the business category in order to efficiently spread out its work administration to ensure that they are performed in line with the Company's policy and achieve its targets. Policies and various measures as well as operating procedures were set up in writing and announced for the information of all to ensure that there is an inter-control and that risks will be reduced or controlled. Furthermore, follow-up of its performance as well as those of its affiliates are conducted on a regular basis with its director(s) or executive(s) sitting in the board(s) of its affiliates to keep a close watch on their management where joint meetings will be held every month.

## **4. Internal Information and Communications**

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. The Company has established adequate information system and financial information system. The Company has encouraged communications via e-mail and other internal channels among management executives and staff.

## **5. Monitoring and Assessment**

The Company has established the monitoring and assessment processes for the management and executive committee from the assessment reports 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 2015 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 directors 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 in order to ensure independence in performing its duty. The Audit Committee held meetings regularly and in 2015, the Audit Committee held 5 meetings. Meeting attendance details are as follows:

No.	Name	Position	No. of Total Meetings	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

Mrs. Preeyanuch Paiboonsithiwong is the secretary to the Audit Committee.

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

1. Reviewed the consolidated and separate financial statements of Loxley Public Company Limited both quarterly and annually after being reviewed and audited by the Auditor. The Audit Committee can confirm that the Company's consolidated and separate financial statements conform with the generally accepted accounting standard with adequate information disclosure.
2. The Company's Auditors were invited to attend the meeting with the Audit Committee on a quarterly basis to listen to explanation concerning the Auditor's report, results of audit and review of financial statements, issues ensuing from the audit/ review and recommendations on the internal control system and directions pertaining to Thailand's standards on financial reporting.
3. Reviewed disclosures of data on inter-related transactions every quarter pursuant to the Notification of the Securities Exchange Commission of Thailand on: Disclosure of Information and Conduct by Listed Companies on Inter-related Transactions to ensure that they are correct and complete.
4. Invited the Company's and its subsidiaries' management to attend the Audit Committee's meetings from time to time to provide information, to acknowledge comments, opinions and suggestions in order to promote management efficiency of the Group of companies.
5. Reviewed in order to ensure that the Company conducted its business according to the Securities and Exchange law, regulations of the Stock Exchange of Thailand, and related laws.
6. Selected and proposed the appointment of independent individuals to act as the Company's Auditor and their remuneration for 2015 before submitting them to the Company's Board of Directors for their further submission to the Company's shareholders to seek their approval.
7. Reviewed and assessed the adequacy of the internal control processes and gave recommendations for proper internal control processes and adequate internal auditing including promoting more efficient supervision of operations as well as promoting systematic risk management processes.
8. Approved the annual internal auditing plan, acknowledged the audit report and followed up on corrective actions of issues raised by the report, especially significant ones, to ensure good corporate governance.

The Audit Committee performed its duty with a satisfactory degree of independence and received good cooperation from the management. The Audit Committee concluded that the Company prepared the financial report with proper information disclosure and according to the generally accepted accounting standard and conforming 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 2015, note# 5: 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
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
Finance costs	Market rates or contractually agreed rates
Purchase of equipment	Contractually agreed prices

Significant transactions for the year ended 31 December 2015 with related-parties were as follows:

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
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#### Subsidiaries

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 Bhasitnirandr, Mr. Suroj Lamsam, Mr. Chalermchoke Lamsam and Mr. Supat Karachalkul.	Service expense	88.37	<ul style="list-style-type: none"> <li>Rental and service cost is comparable to the surrounding buildings. Other services as scope of works at third party compatible prices.</li> <li>Income derived from the projects is recognized as normal transaction. The income from rental of Suapah Building as based on the condition prior to renovation by the lessee. The renovated part shall be under ownership of the Company upon expiration of the lease contract. The income derived from other services as scope of works at third party compatible prices.</li> </ul>
	Income from services	10.34	
	Account receivable	3.14	
	Rental deposit	17.88	
	Account payable	1.30	
Loxley Wireless Plc. 85% of its shares are held by Loxley Plc, with the following directors in common: Mr. Dhongchai Lamsam, Mr. Vasant Chatikavanij, Mr. Chalermchoke Lamsam and Mr. Thongyai Chanthanawan.	Pending expense	1.08	
	Purchase of goods and service expense	6.29	<ul style="list-style-type: none"> <li>Internet and legal consultancy services as scope of works at third party compatible prices.</li> <li>Income derived from the projects is recognized as normal transaction. Income of rental and service as scope of works at third party compatible prices and other service as scope of works at third party compatible prices.</li> </ul>
	Income from selling goods and services	10.11	
	Account receivable	1.62	
	Accrued income	0.01	
	Account payable	1.58	
	Accrued expense	0.02	

#### Associates and joint ventures

Thanthiya Technology Co., Ltd. 30% of its shares held by Loxley Plc. with a director in common, namely Mr. Natavoot Chitasombat.	Purchase of goods	14.92	<ul style="list-style-type: none"> <li>Purchase of project equipment at third party compatible price.</li> <li>Services as scope of works at third party compatible prices</li> </ul>
	Income from services	0.07	
	Accrued income	0.07	
	Account payable	3.67	
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	Purchase of goods	13.20	<ul style="list-style-type: none"> <li>At third party compatible prices</li> <li>Sale of car lifts and other products as normal transaction at third party compatible prices.</li> </ul>
	Income from selling goods	2.65	
	Account payable	4.18	
Foseco (Thailand) Limited 26% of its shares are held by Loxley Plc, with a director in common, namely Mr. Suebtrakul Soonthornthum.	Income from services	8.71	<ul style="list-style-type: none"> <li>Space rental service based on area at general market prices. Income of transportation, consultancy service and other services as scope of works at third party compatible price</li> </ul>
	Account receivable	2.16	
	Accrued income	0.10	

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Loxley GTECH Technology Co., Ltd. 18% of its shares held by Loxley Plc. Directors in common are: Mr. Dhongchai Lamsam, and Mr. Suebtrakul Soonthornthum	Income from services	0.94	<ul style="list-style-type: none"> <li>– Normal transaction, the service charge as scope of works at third party compatible prices</li> <li>– Debtor from project service and loan as a part of supporting associate in the past until present. However, since the government ordered to delay the proceeding without fixed date, the Company has set doubtful accounts at full amount until the proceeding is executed.</li> </ul>
	Account receivable – net	0.07	
	Accrued income	0.01	
	Loan – net	–	
Loxley & AIT Holding Co., Ltd. 50% of its shares are held by Loxley Wireless Plc, with the following directors in common: Mr. Vasant Chatikavanij and Mr. Thongyai Chanthanawan.	Purchase of equipments	77.60	<ul style="list-style-type: none"> <li>– Purchase for project use and reasonable price estimated by independent financial consultant.</li> <li>– Rental cost based on area and comparable to the surrounding buildings. Other services as scope of works at third party compatible prices.</li> </ul>
	Income from services	1.46	
	Account payable	81.32	
Ecartstudio Co., Ltd. 26% of its shares held by Loxbit Plc. , with a director in common, namely Mr. Vasant Chatikavanij.	Service expense	14.96	<ul style="list-style-type: none"> <li>– Income from project maintenance service, recognized as normal transaction, service price as scope of works at third party compatible prices.</li> </ul>
	Account payable	1.59	
NS BlueScope Lysaght (Thailand) Limited 20% of its shares held by Loxley Plc. Directors in common are: Mr. Dhongchai Lamsam, Mr. Suebtrakul Soonthornthum and Mr. Charoon Chinalai	Purchase of goods	260.58	<ul style="list-style-type: none"> <li>– Expense for employees, normal transaction at third party compatible prices.</li> <li>– Normal business supporting income derived from consultant service of BTS project.</li> </ul>
	Income from services	0.43	
	Account receivable	0.10	
	Account payable	26.68	
L Solar 1 Co., Ltd. 45% of its shares held by Loxley Plc. Directors in common are: Mr. Chalermchoke Lamsam and Mr. Supat Karachalkul (currently, Loxley Plc. holds 70%)	Income from services	3.64	<ul style="list-style-type: none"> <li>– Rental and service cost is approximate to the surrounding buildings, the income derived from project management consultant and other service as scope of works at market prices and under third party conditions.</li> </ul>
Loxley–Porntisarn Joint Venture	Income from services	3.02	<ul style="list-style-type: none"> <li>– Income from construction project management and other service income as scope of works at third party compatible prices.</li> </ul>
	Account receivable	2.06	
Parts Zone (Thailand) Co., Ltd. 46% of its shares are held by Loxley Plc, with a director in common, namely Mr. Suraphand Bhasitnirandr	Service expense	1.41	<ul style="list-style-type: none"> <li>– Normal business transaction as scope of works at third party compatible prices.</li> <li>– Normal business transaction at third party compatible prices</li> </ul>
	Income from selling goods	3.86	
	Account receivable	11.18	
	Account payable	0.07	

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Car Convenie Co., Ltd. 51% of its shares held by Loxley Plc. Directors in common are Mr. Suraphand Bhasitnirand and Mr. Supat Karachalkul.	Income from services Account receivable	1.20 0.05	– Income from project, recognized as normal transaction, service price as scope of works at the at third party compatible prices.
Oriental Post Co., Ltd. 50% of its shares held by Loxley Plc.	Other income	3.74	– Income of management fees during the course of the company's dissolution for which the Company has made a provisioning in full for such investment.
Thai Fiber Optics Co., Ltd. 40% of its shares held by Loxley Plc. Directors in common are: Mr. Dhongchai Lamsam and Mr. Chalermchoke Lamsam	Purchase of goods Account payable	5.61 6.00	– Purchase for use in projects at third party compatible prices.
Leela-Loxley Joint Venture	Income from services	1.06	– Income from project, recognized as normal transaction, at third party compatible prices.
Others	Income from selling goods and services Income from fees and others Selling and administrative expenses Account receivable Account payable	0.79 0.20 0.20 0.21 0.01	– Total value of related party transactions between the Company and its subsidiaries with various associates and joint ventures. Sizes of transaction are 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.

#### Other related parties

Thanakorn Vegetable Oil Products Co., Ltd. 6% of its shares are held by Ekpavee Co., Ltd. and 7% by Loxley Trading Co., Ltd., with a director in common, namely Mr. Suroj Lamsam.	Purchase of goods Account payable	1,059.70 160.32	– Purchase of vegetable oil at fixed purchase price. The price is the same as third party where sale agents bear the cost of goods distribution from central warehouse.
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 Account receivable Deposit	3.72 0.11 0.22	– Rental cost is comparable to the surrounding buildings. Accounting service and other services as scope of works at third party compatible prices.

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Law Enforcement Technology Solution Co., Ltd. Mr. Dhongchai Lamsam is its major shareholder. Directors in common are Mr. Dhongchai Lamsam, Dr. Sompop Chareonkul, Mr. Chalermchoke Lamsam, and Mr. Karn Thongyai.	Service expense	2.54	<ul style="list-style-type: none"> <li>– Security maintenance service and CCTV equipment expenses for projects as work scope at third party compatible prices.</li> <li>– Rental and service cost is approximate to the surrounding buildings, and other income as work scope at third party compatible prices.</li> </ul>
	Income from services	2.23	
	Account receivable	0.90	
	Account payable	0.99	
	Accrued expense	0.07	
Zin 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	Deposit	0.34	
	Service expense	0.50	<ul style="list-style-type: none"> <li>– Rental and office services and other service fees as normal transaction, based on work scope at third party compatible prices.</li> <li>– Accounting service and other services as scope of works at third party compatible prices.</li> </ul>
	Income from services	1.16	
	Account receivable	0.01	
Mappoint Asia (Thailand) Plc. 22% of its shares are held by Ekpavee Co., Ltd.	Accrued income	0.06	
	Purchase of equipments	0.74	<ul style="list-style-type: none"> <li>– For use in projects at third party compatible prices.</li> <li>– Income derived from projects as normal business transaction at third party compatible prices.</li> </ul>
	Income from selling goods and services	6.75	
LTS Travel Service Co., Ltd. 55% of its shares held by Mrs. Duangruthai Poomchusri and 19% by Mrs. Montira Lamsam with a director in common, namely Mr. Chalermchoke Lamsam.	Account payable	1.22	
	Purchase of goods	17.19	<ul style="list-style-type: none"> <li>– Purchase of air tickets, accomodation and others at the price shown in the ticket plus discount offered by agent at third party compatible prices.</li> <li>– Rental and service cost is approxminate to the surrounding buildings, and other income as scope of works at third party compatible prices.</li> </ul>
	Income from services	0.86	
	Account receivable	0.09	
	Account payable	0.25	
	Deposit	0.08	
L Business Process Outsourcing Co., Ltd. Ekpavee Co., Ltd. is its major shareholder with a director in common, namely Mr. Suroj Lamsam.	Service expense	1.71	<ul style="list-style-type: none"> <li>– Printing service as normal transaction, based on work scope, at third party compatible prices.</li> <li>– Sale of printing ink, rent of printers at the third party compatible prices and other service income as scope of works at third party compatible prices.</li> </ul>
	Income from selling goods and services	17.16	
	Account receivable	4.07	
	Account payable	0.04	
LOC Thai Joint Stock Company 94% of its shares are held by Ekpavee Co., Ltd.	Service expense	0.17	<ul style="list-style-type: none"> <li>– Office expense, as normal transaction at the third party compatible prices.</li> <li>– Sale of consumer products and chemical supplies as normal business transaction at the third party compatible prices.</li> </ul>
	Income from selling goods	5.02	
	Account receivable	13.62	
Good Marine Products Co., Ltd. 60% of its shares are held by Ekpavee Co., Ltd.	Purchase of goods	4.52	<ul style="list-style-type: none"> <li>– Normal business transaction at third party compatible prices.</li> <li>– Service income as scope of works at third party compatible prices.</li> </ul>
	Income from services	0.04	
	Account payable	0.23	

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Muang Thai Life Assurance Plc. Directors in common are Mr. Poomchai Lamsam and Mr. Suebtrakul Soonthornthum.	Service expense	1.62	<ul style="list-style-type: none"> <li>– Normal business transaction at third party compatible prices.</li> <li>– Income derived from selling goods and projects as normal business transaction at third party compatible prices.</li> </ul>
	Income from selling goods	47.15	
	Account receivable	10.64	
	Account payable	0.02	
Muang Thai Insurance Plc. 5% of its shares are held by Loxley Plc., with a director in common, namely Dr. Jingjai Hanchanlash.	Service expense	10.27	<ul style="list-style-type: none"> <li>– Normal business transaction at third party compatible prices.</li> <li>– Income derived from selling goods and projects as normal business transaction at third party compatible prices.</li> </ul>
	Income from selling goods	13.48	
	Account receivable	0.10	
	Account payable	0.18	
Lamsam Estate Co., Ltd. Directors in common are Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suroj Lamsam.	Income from services	1.92	<ul style="list-style-type: none"> <li>– Rental cost is comparable to the surrounding buildings. Other services as scope of works at third party compatible prices.</li> </ul>
	Account receivable	0.02	
	Deposit	0.36	
Mainstay Property Solutions Co., Ltd. 88% of its shares are held by Ekpavee Co., Ltd., with a director in common, namely Mr. Suraphand Bhasitnirandr.	Service expense	0.21	<ul style="list-style-type: none"> <li>– Service expense as scope of works at third party compatible prices.</li> <li>– Rental cost is comparable to the surrounding buildings. Other services as scope of works at third party compatible prices.</li> </ul>
	Income from services	1.46	
	Account receivable	0.79	
	Account payable	0.05	
	Deposit	0.26	
Others	Income from selling goods and services	0.50	<ul style="list-style-type: none"> <li>– Total value of related party transactions between the Company and its subsidiaries with various related parties. Sizes of transactions are 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.</li> </ul>
	Income from fees and others	0.65	
	Purchase of goods and services	0.36	
	Selling and administrative expenses	0.81	
	Account payable	0.02	
	Loan from director	0.28	
	Deposit	0.10	



# MANAGEMENT DISCUSSION AND ANALYSIS RELATED TO THE RESULTS OF BUSINESS OPERATIONS

## Performance of the Company and Subsidiaries in 2013, 2014 and 2015 year

### Income

In 2013, 2014 and 2015, the Company had total income of Baht 15,223.57, 14,743.46 and 11,660.07 million respectively.

Income structure can be described as follows:

Income Structure (Unit : Million Baht)	Year ended 31 Dec 2013		Year ended 31 Dec 2014		Year ended 31 Dec 2015	
	Value	%	Value	%	Value	%
Revenue from sale of goods and rendering of services	14,928.65	98.06%	14,475.88	98.19%	11,472.07	98.39%
Fees and other income	109.48	0.72%	112.49	0.76%	172.25	1.48%
Gain on sales of investments – net	185.44	1.22%	155.09	1.05%	15.75	0.13%
<b>Total income</b>	<b>15,223.57</b>	<b>100.00%</b>	<b>14,743.46</b>	<b>100.00%</b>	<b>11,660.07</b>	<b>100.00%</b>

The main income of the Company during 2013, 2014 and 2015 derived from sales and services, which representing 98.06%, 98.19% and 98.39% of total income respectively.

### Fee and Other Income

Fee and other income comprised of space rental, management fees, dividend from investment in other entities, profit from exchange rate and other income. In 2015, the Company's income from such items was Baht 172.25 million, increasing by 59.76 million from 2014 or by 53.12%. As most are entries of reverse debts doubtful as loss for which provisioning had been made for them during the preceding year(s) and which had already been repaid. In 2014, this portion of revenue amounted to Baht 112.49 million and was not changed much from that of 2013 of Baht 109.48 million.

### Gain on sales of investments

The Company's gain on sales of investments for the year 2015 was Baht 15.75 million. This included sales of investment in Cholakijisakol Co. Ltd., an associate of the Company to a nonrelated party. In 2014, the Company had gain on sale of investment of Baht 155.09 million in Guardfire Co., Ltd., an associate of the Company to a nonrelated party as well.

### Chronology of Total income by business segment

Income in 2013, 2014 and 2015 as categorized by business segment is as follows:

Income Structure (Unit : Million Baht)	Year ended 31 Dec 2013		Year ended 31 Dec 2014		Year ended 31 Dec 2015	
	Value	%	Value	%	Value	%
<b>1. Technology Business Segment</b>	<b>10,493</b>	<b>68.93%</b>	<b>9,640</b>	<b>65.39%</b>	<b>6,500</b>	<b>55.75%</b>
1.1 ICT Business Group	8,168	53.66%	5,633	38.21%	3,220	27.62%
1.2 Technology Business Group	1,145	7.52%	1,392	9.44%	1,225	10.51%
1.3 Project Business Group	1,180	7.75%	2,615	17.74%	2,055	17.62%
<b>2. Trading Business Segment</b>	<b>3,993</b>	<b>26.23%</b>	<b>4,257</b>	<b>28.87%</b>	<b>4,397</b>	<b>37.71%</b>
<b>3. Services</b>	<b>909</b>	<b>5.97%</b>	<b>1,075</b>	<b>7.29%</b>	<b>1,131</b>	<b>9.70%</b>
Total income	15,395	101.13%	14,972	101.55%	12,028	103.15%
Less Related Transaction	(363)	(2.38%)	(421)	(2.86%)	(441)	(3.78%)
Add Unallocated Other	191	1.25%	192	1.30%	73	0.62%
<b>Grand total income</b>	<b>15,223</b>	<b>100.00%</b>	<b>14,743</b>	<b>100.00%</b>	<b>11,660</b>	<b>100.00%</b>

Total income by business segment of year 2015 totalled of Baht 11,660 million. Technology Business, Trading Business and Service Business were the main source of income, representing 55.75%, 37.71%, and 9.70% of total income in the year, respectively. And, when this was compared with 2014 revenue, one can see that earnings from the Technology Business Segment had fallen from Baht 9,640 million to Baht 6,500 million mainly on account of gradual completion of work by the ICT business group and Project Business Group in conjunction with a slowdown in the public sector's investment which held back tenders on a number of new projects.

Total income by business segment of year 2014 totalled of Baht 14,743 million. Technology Business, Trading Business and Service Business represented 65.39%, 28.87%, and 7.29% of total income respectively.

Income by business segment increased in 2014 from 2013 as the income from Trading Business and Service Business increased from Baht 3,993 million to Baht 4,257 million and Baht 909 million to Baht 1,075 million, respectively. While the raise in income of Trading Business came from additional sales of construction supplies, the increase of income from Service Business was due to an expanded customer base of Security Service Business.

However, in 2014, income from Technology Business Segment was Baht 9,640 million, dropped from Baht 10,493 million in 2013. The main reason came from a decrease of income in ICT Business Group from Baht 8,168 million to Baht 5,633 million due to the completion of the large scale telecommunication project in 2013. Furthermore in 2014, the changes of political structure caused declination in public and state enterprises projects.

## Expenses

Total expenses in 2013, 2014 and 2015 were Baht 15,229.06 million, 14,775.12 million and 11,986.04 million, respectively. Majority of the Company's expenses came from cost of sale and cost of services, which accounted for 80–84% of the total expenses. Administrative expenses accounted for 9–13% of the total expenses while selling expenses were 5–6% of total expenses. An expense structure for 2013, 2014 and 2015 are summarized as follows:

Expenses (Units : Million Baht)	Accounting year					
	31 Dec 2013		31 Dec 2014		31 Dec 2015	
	Value	Change (%)	Value	Change (%)	Value	Change (%)
Cost of sale of goods and rendering of services	12,703.76	5.05%	12,195.50	(4.00%)	9,552.85	(21.67%)
Selling expenses	764.70	5.88%	769.10	0.58%	731.86	(4.84%)
Administrative expenses	1,544.77	19.35%	1,647.78	6.67%	1,546.42	(6.15%)
Finance costs	215.82	(7.06%)	162.74	(24.59%)	154.91	(4.81%)
<b>Total expenses</b>	<b>15,229.06</b>	<b>6.19%</b>	<b>14,775.12</b>	<b>(2.98%)</b>	<b>11,986.04</b>	<b>(18.88%)</b>

## Cost of sales and service

The Company's costs of sale of goods and rendering of services in 2015 and 2014 stood at Baht 9,552.85 million and Baht 12,195.50 million, decreasing by 21.67% and 4.00% from 2014 and 2013 respectively, corresponding to the decreasing sales revenue. Gross profit margin in 2015 stood at 16.73% and in 2014 at 15.75%, increasing from 14.90% in 2013, due to a continuously higher return from various projects and small-to-medium-size projects compared to the large project.

## Selling and administrative expenses

The Group's sales expenses in 2015 came to Baht 731.86 million, a drop from Baht 769.10 million in 2014 which saw a slight increase over 2013. However, in percentage terms, the ratio of sales to sales turnover was approximately 5–6% in 2014 and 2015.

Major administrative expenses comprise personnel wages, depreciation cost and amortization, office rental, equipment and vehicles. Administrative expenses of the Company in 2015 were at Baht 1,546.42 million, decreased from Baht 1,647.78 million in 2014. In 2014, the Company made a provisioning in the accounts for the value of its reduced investment in associates and depreciation of assets more than what was made in 2015. Such provisioning, however, would not have an impact on the Company's Cash Flow situation.

## Financial cost

In 2015, the Company's financial cost was Baht 154.91 million decreasing by Baht 7.83 million from Baht 162.74 million in year 2014 and decreasing by 53.08 million from Baht 215.82 million in 2013 as a result of the reduction in bank overdraft, short term loan from financial institution, long term liability and interest rate.

## Share of profit from investments

Among joint ventures of the Company, the major investment the Company made was in a galvanized steel and lubricant industry. The Company's share of profit from investments in associates and joint ventures in 2013, 2014 and 2015 was Baht 738.79 million, Baht 543.42 million, and Baht 589.95 million, respectively. The increase in 2015 was from performance of two major associates: BP-Castrol (Thailand) Limited who contributed shares of profit from investment of in 2014 and 2015 of Baht 305 million and Baht 384 million respectively; and NS Bluescope Group who contributed shares of profit from investment in year 2014 and 2015 of Baht 217 million and Baht 220 million respectively.

## Profit before income tax expense and Net profit

Profit (Unit : Million Baht)	Accounting year					
	31 Dec 2013		31 Dec 2014		31 Dec 2015	
	Value	Per income (%)	Value	Per income (%)	Value	Per income (%)
Profit before income tax expense	733.30	4.82%	511.76	3.47%	263.98	2.26%
Net Profit	590.27	3.88%	352.51	2.39%	209.92	1.80%

Net profit attributable to the equity holders of the Company in 2013, 2014 and 2015 was Baht 590.27 million, Baht 352.51 million and Baht 209.92 million, respectively.

In 2015, the Company's Net Profits dropped by Baht 142.59 million or 40.45% from 2014 mainly because of its reduced consolidated income. For the entire year of 2014, however, special profits were generated of Baht 155.09 million out of its disposal of investment in an associate.

## The Company's and subsidiaries' financial status as of 31 December 2013, 2014 and 2015

As of 31 December 2013, 2014 and 2015, assets, liability and shareholder's equity of the Company are as follows:

Unit : Million Baht	31 Dec 2013	31 Dec 2014	31 Dec 2015
Assets	13,330.06	13,765.07	14,282.99
Liabilities	7,941.27	7,353.76	7,689.58
Shareholders' equity	5,388.79	6,411.31	6,593.41
Total liabilities and shareholders' equity	13,330.06	13,765.07	14,282.99

## Assets

The Company's total assets as of 31 December 2013, 2014 and 2015 were Baht 13,330.06 million, Baht 13,765.07 million and Baht 14,282.99 million respectively. The asset value slightly increased in 2014 and 2015.

Importance assets are as follows:

## Temporary Investment

Temporary investment is a fixed deposit and short-term promissory note of financial institution. As of 31 December 2013, 2014 and 2015, the Company and its subsidiaries had temporary investment amounted to Baht 57.99 million, Baht 516.74 million and Baht 661.02 million respectively as a result of changes in management of working capital. In addition an increase of temporary investment during year 2014 is a result of capital increase and disposal of investment in Guardfire Co., Ltd., a joint venture of the Company.

### Trade and other accounts receivable

As of 31 December 2013, 2014 and 2015, the Company's trade and other accounts receivable were Baht 3,253.33 million, Baht 2,361.93 million and Baht 3,357.74 million, respectively and the increase rate (decrease) at the end of 2014 and 2015 were (27.40%) and 42.16 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 a debt payment history and a projection on customers' future debt payment trend. In 2014, various large-scale projects continuing from 2013 were gradually completed with their payments collected in 2014. And, in 2015, there were increased receivables mainly from project work for the Office of the Welfare of the Promotion Commission for Teachers and Education Personnel (OTEP).

The Company set up provision for doubtful accounts for trade and other accounts receivable for the year 2013, 2014 and 2015 of Baht 26.21 million, Baht 88.93 million and Baht 46.40 million, respectively.

### Non-billed trade accounts receivable

The non-billed trade accounts receivable represent the customers that the Company has already provided and completed the services under contract but the delivery date has not yet arrived. The non-billed 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 may not correspond to the invoice issuance. However, after the Company completely meets 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 accounts receivable.

As of 31 December 2013, 2014 and 2015, the Company's non-billed trade accounts receivables were Baht 2,118.76 million, Baht 1,873.09 million, and Baht 1,825.06 million, respectively. At the end of 2014, non-billed trade account receivable decreased by 11.59% and decreased by 2.56% at the end of 2015 because the Company gradually billed and collected payment from those large scale projects by the ICT Business Group during year 2014-2015.

### Retentions receivable (short-term and long-term)

As of 31 December 2013, 2014 and 2015, the total retentions receivable both short and long terms were Baht 209.11 million, Baht 266.29 million and Baht 373.51million, respectively. The increase as of year end of 2014 and 2015 were 27.34% and 40.26% 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 2013, 2014 and 2015 were Baht 1,277.31million, Baht 1,319.31 million and Baht 1,043.89 million respectively. The increase (decrease) as of year end 2014 and 2015 were 3.29% and (20.88%) respectively. The decrease of inventories in 2015 was mainly from selling of goods in the project of the Office of the Welfare of the Promotion Commission for Teachers and Education Personnel (OTEP). Main inventories of the Company 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 2013, 2014 and 2015 at Baht 7.77 million, Baht 23.84 million and Baht 14.14 million, respectively.

### Advances paid to suppliers

Advances paid to suppliers as of 31 December 2013, 2014 and 2015 were Baht 245.03 million, 220.92 million and Baht 243.98 million respectively. The (decrease) increase at the end of 2014 and 2015 were (9.84%) and 10.44% respectively.

### Other current assets

Other current assets as of 31 December 2013, 2014 and 2015 were Baht 209.62 million, Baht 171.25 million and Baht 224.20 million, respectively. They included value added tax, promotion receivables, prepaid expenses, advance to employees, etc. The (decrease) increase at the end of 2014 and 2015 were (18.30%) and 30.92%, respectively.

### Investments in associates and joint ventures

Investments in associates and joint ventures as of 31 December 2013, 2014 and 2015 were Baht 3,196.52 million, Baht 3,138.48 million and Baht 2,958.04 million respectively. The changes, either increase or decrease, mainly depend on the recognized of share of profit of equity accounted investees less received dividend. The decreases as at the end of 2014 and 2015 were 1.82% and

5.75%, respectively. Changes in the Company's investment in 2015 are as follows:

In October 2015, Parts Zone (Thailand) Co., Ltd., a subsidiary of the Group, increased its registered share capital by Baht 21 million from Baht 35 million to Baht 56 million. The increasing share capital was entirely sold to an overseas strategic partner in amount of Baht 59 million (including share premium), resulting in the decrease in percentage of holding from 74% to 46% and loss of control in this subsidiary and became an associate. The deconsolidation of such entity does not have any material impact on the consolidated financial statements. The Group has gain from changes in percentage of holding amounting to Baht 16 million which was recorded in statement of income for the year ended 31 December 2015.

In November 2015, the Company disposed investment in Chonlakisakol Co., Ltd., an associate of the Company, to non-related party totaling Baht 56 million and recognized gain on sale of investments amounting to Baht 16 million and Baht 8 million in consolidated financial statement and separate financial statement, respectively.

### **Other long-term investments**

Other long-term investments as of 31 December 2013, 2014 and 2015 were Baht 346.37 million, Baht 525.56 million and Baht 538.32 million, respectively. The increases as at the end of 2014 and 2015 were 51.74 % and 2.43 % respectively. The main reason came from an increase of investment in available for sale securities. As of 31 December 2015, the long-term investments included investment in Muang Thai Insurance Public Company Limited of Baht 476 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 2013, 2014 and 2015, such fixed assets values were Baht 1,247.55 million, Baht 1,039.17 million and Baht 1,687.77million, respectively. 2015 increases arose from the Group's consolidation of its financial statements with those of a new subsidiary, i.e. L. Solar 1 Co., Ltd. causing an increase on item under Land, Building and Equipment of Baht 591.10 million and a re-appraisal of land costs by an external licensed appraiser approved by the SEC on consideration of the value at current replacement costs.

These assets (decreased) increased at the rate of (16.70%) and 62.42% at the end of 2014 and 2015, respectively. The decrease during year 2014 was because the Company Group transferred property, buildings and equipment of 2 locations which located at no. 304, Suapah road, Pomprapsatrupai sub-district, Pomprapsutrupai district, Bangkok and no. 116/19, Na Ranong road, Klongtoey sub-district, Klongtoey district, Bangkok, total net book value stood at Baht 122.60 million (fair value accounted at Baht 206.20 million), into real estate for investment as the Company had decided to lease such property and building to the third party.

### **Real estate for investment**

Fair value of real estate for investment of the Company Group (as appeared in the consolidated financial statement) and of the Company (as appeared in separate financial statement) as of 31 December 2015 accounted at Baht 206.20 million and Baht 118.30 million respectively. The fair value assessed by independent assessor approved by the SEC office was based on the market capitalization which was consistent with the current asset in use.

Remark: Net book value of property, building and equipment of the Company Group (as appeared in the consolidated financial statement) accounted at Baht 122.60 million, and of the Company (as appeared in the separate financial statement) at Baht 84.27 million. The fair value of the property, building and equipment of the Company Group (as appeared in the consolidated financial statement) valued of Baht 206.20 million and of the Company (as appeared in the separate financial statement) valued of Baht 118.30 million.

### **Intangible asset**

Intangible assets of the Company include software licenses. As of 31 December 2013, 2014 and 2015, intangible assets were Baht 57.47 million, Baht 48.78 million and Baht 51.40 million, respectively. The (decrease) increase at the end of 2014 and 2015 were (15.12%) and 5.37% respectively.

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

Other non-current assets as of 31 December 2013, 2014 and 2015 were Baht 254.86 million, Baht 259.72 million and Baht 327.62 million, respectively. The increases at the end of 2014 and 2015 were 1.91% and 26.14%. 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 2013, 2014 and 2015 were Baht 7,941.27 million, Baht 7,353.76 million and Baht 7,689.58 million, respective, representing 7.40% decrease by the end of 2014 and 4.57% increase at the end of 2015. Significant liabilities are as follows:

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

As of 31 December 2013, 2014 and 2015, the Company's bank overdraft and short-term loan from financial institutions were Baht 2,263.79 million, Baht 1,629.12 million and Baht 2,071.85 million, respectively. The (decrease) increase at the end of 2014 and 2015 were (28.04%) and 27.18% respectively. The bank overdraft and short-term loans from financial institutions comprised bank overdraft, short-term loans and debts from trust receipts. Decreasing short-term loan in 2014 was mainly occurred from gradual payment of short-term loan after large scale projects from the ICT Business Group under Technology Business Segment were gradually delivered; and increasing in 2015 was from OTEP project.

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

Trade and other accounts payable as of 31 December 2013, 2014 and 2015 were Baht 2,063.17 million, Baht 2,324.38 million and Baht 1,774.36 million, respectively. The increase (decrease) at the end of 2014 and 2015 were 12.66% and (23.66%) respectively. Most of them were trade payables from projects handling. The increase (decrease) of trade accounts payable was in line with income and working capital management.

### **Advances received from customers**

Advances received from customers as of 31 December 2013, 2014 and 2015 were Baht 539.97 million, Baht 612.91 million and Baht 623.40 million, respectively. The increases at the end of 2014 and 2015 were 13.51% and 1.71% respectively, most of which was advances received from customer's projects.

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

Short-term loans from related parties on 31 December 2013, 2014 and 2015 were Baht 13.50 million, Baht 5.28 million and Baht 0.28 million, respectively. Decreases at the end of 2014 and 2015 were 60.89% and 94.70%, respectively. On 31 December 2015, the Company's short-term loans from related parties were Baht 0.28 million, comprising short-term loan from director of Baht 0.28 million.

### **Other current liabilities**

Other current liabilities as of 31 December 2013, 2014 and 2015 were Baht 1,269.08 million, Baht 1,092.02 million and Baht 859.79 million, respectively. The decreases at the end of 2014 and 2015 were 13.95% and 21.27%, respectively. As of 31 December 2015, the Company's current liabilities comprised unpaid project cost, damage guarantee advance and unpaid expenses. In 2015, other current liabilities decreased by Baht 232.23 million, mostly from the decreasing unpaid project costs from reduction in projects.

### **Long-term liabilities**

Unit : Million Baht	31 Dec 2013	31 Dec 2014	31 Dec 2015
- Current portion of long-term liabilities	227.02	343.37	124.15
- Long-term liabilities	954.30	638.19	346.32
- Long-term debentures	-	-	1,000.00
Total long-term liabilities	1,181.32	981.56	1,470.47

Long-term liabilities as of 31 December 2013, 2014 and 2015 were Baht 1,181.32 million, Baht 981.56 million and Baht 1,470.47 million, respectively. The (decrease) increase at the end of 2014 and 2015 was (16.91%) and 49.81%, respectively. As of 31 December 2015, the Company's long-term liabilities comprised long-term loans, long-term bond, and creditors from financial lease for machinery and equipment.

### **Employees benefit obligations**

Employees benefit obligations as of 31 December 2013, 2014 and 2015 were Baht 428.77 million, Baht 464.87 million and Baht 534.68 million, respectively. The increases at the end of 2014 and 2015 were 8.42% and 15.02% respectively. The Company forecasts such obligations using the Projected Unit Credit Method handled by independent actuaries.



## **Shareholders' equity**

Shareholders' equity as of 31 December 2015 was Baht 6,593.41 million, comprising issued and paid-up share capital of Baht 2,264.95 million which included issued and paid-up ordinary shares of 2,264.95 million shares at Baht 1 par value, allocated and unallocated accumulated profits of Baht 103.80 million and Baht 1,277.54 million, respectively, and other components of equity of Baht 2,010.92 million.

Increasing shareholders' equity in each year was driven by the Company's operating performance

In April 2013, the Company allocated Baht 41.55 million of 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, totalling 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.

In April 2014, the Company allocated Baht 22.50 million of profit for legal reserves and approved dividend payment in cash at Baht 0.95 per share.

In September 2014, the Company issued and made public offering of 165 million shares for capital increase, at the par value of Baht 1 per share. The sale offer to public investors (PO) was at the price of Baht 4.05 per share. Total amount received from the PO was Baht 668.25 million and premium on share of Baht 503.25 million. The Company received total payment on 30 September 2014.

In April 2015, the Company approved dividend payment in cash at Baht 0.10 per share.

## **Cash flow of the Company and subsidiaries at the end of 2013, 2014 and 2015**

Net cash flow from (used in) operations in 2013, 2014 and 2015 was Baht 767.15 million, Baht 1,382.67 million, and (Baht 1,782.46 million), respectively. As for such Net Cash Flows in 2013 and 2014, the Company had an increased Net Cash Flow in its operations from the operating results and less usage of its working capital. In 2015, however, Net Cash Flow in its operations was in the minus as the result of more changes in project working capital.

Significant changes to assets and liabilities in 2015 included increase in trade and other accounts receivable of Baht 1,050.78 million, decrease in non-billed trade accounts receivable of Baht 61.85 million, increase in retentions receivable of Baht 107.22 million, decrease in inventory of Baht 213.23 million, decrease in trade receivables and other of Baht 610.49 million, decrease in other current liabilities of Baht 239.82 million. The Company paid Baht 119.06 million for income tax and withholding tax of 2015.

The Company's net cash provided by investing activities in 2013, 2014 and 2015 was Baht 1,030.09 million, Baht 229.68 million and Baht 415.45 million, respectively. The net cash provided by those activities in 2013, 2014 and 2015 comprised dividends received of Baht 828.06 million, Baht 706.73 million and Baht 606.61 million, respectively; and investment in property, plant and equipment increase of Baht 271.73 million, Baht 113.81 million and Baht 88.89 million, respectively. In 2013, significant investing activities were Baht 618.20 million cash received from sales of 5% investment in the associates which are NS Bluescope (Thailand) Co., Ltd., and NS Bluescope Lysaght (Thailand) Co., Ltd.; and Baht 79.24 million cash paid from increasing investment in associates including 30% stake in Wisdom Vast Co., Ltd., and 20% stake in Bluescope Buildings (Thailand) Co., Ltd. In 2014, significant investing activities were Baht 455.28 million which increased from temporary investment, Baht 257.80 million cash received from sale of investment in associates consisting of investment in Gaurdfire Co., Ltd. where the Company previously held 30% of shares. In 2015, the increase of temporary investment was at Baht 148.17 million.

The Company's net cash provided by (used in) financing activities 2013, 2014 and 2015 was (Baht 1,597.12 million), (Baht 613.43 million) and Baht 343.03 million, respectively.

Significant financing activities in 2013, 2014 and 2015 came from the increase (decreases) of bank overdraft and short-term loans from financial institutions of (Baht 951.39 million), (Baht 633.61 million) and Baht 475.47 million, respectively; repayment of long-term liabilities of Baht 371.07 million, Baht 242.85 million and Baht 1,638.21 million, respectively. The Company paid finance costs of Baht 217.13 million, Baht 163.43 million and Baht 155.71 million. Dividend paid in cash during year 2013, 2014 and 2015 were Baht 200.05 million, Baht 199.50 million and Baht 226.50 million respectively. Furthermore, the Company received Baht 668.25 million in cash from capital increase in 2014. And, in 2015, there were increases in its long-term loans and long-term bonds of Baht 800 million and Baht 1,000 million respectively.

Therefore, in 2013, 2014 and 2015, the Company's net cash and cash equivalents increase (decrease) were Baht 200.12 million, Baht 998.92 million and (Baht 1,023.98 million), respectively.

## **The Company's financial ratio analysis**

### **LIQUIDITY RATIO**

Liquidity Ratio	2013	2014	2015
Current ratio (times)	1.27	1.39	1.47
Quick ratio (times)	0.99	1.10	1.19
Flow liquidity (times)	0.12	0.22	(0.31)
Account receivable turnover (times)	2.54	2.64	2.09
Collection period (days)*	143.02	136.45	172.56
Inventory turnover (times)	10.35	9.64	8.09
Inventory turnover period (days)	34.77	37.35	44.48
Account payable turnover (times)	6.25	5.56	4.66
Payment period (days)	57.58	64.76	77.23
Cash cycle (days)	120.21	109.04	139.81

\*Period of debt-collection is calculated on the aggregate total of uncollected trade receivables, trade receivables and others.

The Company's current ratio and quick ratio during 2013–2015 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, non-billed 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 2013–2015 was 120.21 days, 109.04 days and 139.81 days, respectively. The increases in 2013 and 2015 were a result from average debt collection for projects which was quite high between 136–173 days because most of the contracts were made with the government and state enterprises. In 2014, cash cycle was decreased as the Company had a better debt collection period.

## PROFITABILITY RATIO

Profitability Ratio	2013	2014	2015
Gross profit margin (%)	14.90%	15.75%	16.73%
Operating profit margin (%)	3.95%	2.44%	1.83%
Cash on net profit ratio (%)	129.97%	392.23%	(849.10%)
Net profit margin (%)	3.88%	2.39%	1.80%
Return on equity (%)	12.20%	6.31%	3.42%

In 2013, ratios indicating the Company's profit-generating ability in areas of gross profits, operating profits, net profits and rates of returns for shareholders were all at good levels as the result of its performance despite a slight increase in its capital of Baht 100 million. As for 2014, there was improvement in the Company's gross profits with a drop in the rates of its operating profits, net profits and shareholder returns mainly because of the reduced income and reduced profit-sharing from its investment in associates as the result of political and economic conditions. In 2015, the Company's gross profit continued to make a better adjustment while its operating profits, rates of net profits and shareholder returns were lower mainly because of its reduced revenue ensuing from domestic economic factors and a slow-down of investment in the public sector.

## EFFICIENCY RATIO

Efficiency Ratio	2013	2014	2015
Return on assets (%)	4.43%	2.60%	1.50%
Return on fixed assets (%)	63.22%	46.22%	28.99%
Asset turnover (times)	1.14	1.09	0.83

Rates of returns from its assets in 2013, 2014 and 2015 were 4.43%, 2.60% and 1.50% respectively. These decreases continued with a drop of the Company's net profits mainly on account of a drop in its revenue and profit-sharing from its investment in the affiliates as the result of the overall political and economic conditions.

## FINANCIAL POLICY RATIO

Financial Policy Ratio	2013	2014	2015
Debt to equity (times)	1.47	1.15	1.17
Interest coverage (times)	4.04	9.26	(11.24)
Dividend payout ratio (%)	33.80%	64.25%	NA

The Company's ratio of Debts to Shareholders Equity in 2013, 2014 and 2015 were 1.47, 1.15 and 1.17 times respectively. Such ratio dropped in 2014 as the result of the Company's continuing to gradually repay its short- and long-term loans and because of its increased capital. However, there was not much change in this ratio in 2015.

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

In January 2016, the Company purchased a total of 474,000 additional shares in Loxley Property Development Co., Ltd., its subsidiary, from the major shareholder for the sum of Baht 74 million (net book value as at 31 December 2015) thereby increasing the ratio of its equity in the subsidiary from a former 66% to 90% as the result of this purchase of investment.

# 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 2015; 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 12 to the financial statements, the consolidated financial statements as at 31 December 2015 and 2014 of Loxley Public Company Limited and its subsidiaries included investments in three associates which their accounting period is different from Loxley group's accounting period.

The three associates have their accounting period ending on 30 June which is the same as their foreign parent company. Investments in those associates were recorded by including the financial statements of those associates for the year ended 30 June 2015 and 2014 which were audited by other auditors and for the six-month period ended 31 December 2015 and 2014 which had been reviewed, but not audited by auditors. I was unable to obtain sufficient appropriate audit evidence about the carrying amount at equity method of those investments in the consolidated financial statements as at 31 December 2015 and 2014, which amounted to Baht 1,707 million and Baht 1,724 million, respectively, and the share of their net profit for the years ended 31 December 2015 and 2014, which were Baht 220 million and Baht 217 million, respectively. Consequently, I was unable to determine whether any adjustments to these amounts were necessary.

### *Qualified Opinion*

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 2015 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 2016

# STATEMENT OF FINANCIAL POSITION

## LOXLEY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2015	2014	2015	2014
(in Baht)					
Current assets					
Cash and cash equivalents	6	734,809,981	1,757,052,794	260,420,213	841,322,555
Current investments		661,016,479	516,739,055	101,904,528	258,261,997
Trade and other accounts receivable	8,20	3,357,737,088	2,361,934,005	979,403,211	1,263,245,398
Unbilled trade accounts receivable		1,825,059,376	1,873,091,926	1,114,938,072	1,080,036,552
Retentions receivable		118,355,789	174,919,867	118,355,789	174,919,867
Short-term loans to other parties	9	47,052,549	60,575,052	-	-
Inventories	10	1,043,886,260	1,319,310,168	496,216,940	409,945,479
Advances paid to suppliers		243,983,468	220,915,946	182,336,870	111,148,036
Dividend receivables	5	2,400,000	-	65,400,000	-
Other current assets	11	224,198,047	171,254,499	89,206,935	67,999,642
Total current assets		8,258,499,037	8,455,793,312	3,408,182,558	4,206,879,526
Non-current assets					
Investments in associates and joint ventures	12	2,958,036,501	3,138,475,363	953,480,012	1,138,566,928
Investments in subsidiaries	13	-	-	2,264,719,898	1,952,675,138
Other long-term investments	15	538,319,174	525,563,813	501,188,974	488,433,613
Investment properties	16	206,200,000	206,200,000	118,300,000	118,300,000
Property, plant and equipment	17,20	1,687,767,269	1,039,170,570	472,295,153	400,570,290
Intangible assets	18	51,400,053	48,783,196	29,744,943	31,386,163
Retentions receivable		255,154,553	91,368,663	237,192,053	73,406,163
Other non-current assets	7,19	327,616,616	259,719,190	103,991,586	70,543,018
Total non-current assets		6,024,494,166	5,309,280,795	4,680,912,619	4,273,881,313
Total assets		14,282,993,203	13,765,074,107	8,089,095,177	8,480,760,839

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

# STATEMENT OF FINANCIAL POSITION

## LOXLEY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity	Note	2015	2014	2015	2014
(in Baht)					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	20	2,071,850,883	1,629,122,846	480,997,906	505,149,598
Trade and other accounts payable	21	1,774,362,709	2,324,376,290	942,541,035	1,278,090,933
Advances received from customers		623,401,047	612,910,583	428,022,029	486,209,477
Current portion of long-term liabilities	20	124,147,404	343,371,885	3,176,828	266,638,722
Short-term loans from related parties	5,20	280,000	5,280,000	60,000,000	240,000,000
Short-term loans from other party	20	143,273,133	50,300,853	-	-
Income tax payable		10,515,695	9,524,736	-	-
Other current liabilities	22	859,793,837	1,092,019,334	197,223,694	305,426,278
Total current liabilities		5,607,624,708	6,066,906,527	2,111,961,492	3,081,515,008
Non-current liabilities					
Long-term liabilities	20	346,316,771	638,185,612	-	454,586,547
Long-term debentures	20	1,000,000,000	-	1,000,000,000	-
Deferred tax liabilities	23	192,223,063	174,886,803	162,390,330	147,226,070
Employee benefit obligations	24	534,677,585	464,874,175	310,516,417	282,923,895
Other non-current liabilities		8,740,424	8,910,752	-	415,271
Total non-current liabilities		2,081,957,843	1,286,857,342	1,472,906,747	885,151,783
Total liabilities		7,689,582,551	7,353,763,869	3,584,868,239	3,966,666,791
Equity					
Share capital	25,26				
Authorised share capital		2,331,250,000	2,331,250,000	2,331,250,000	2,331,250,000
Issued and paid-up share capital		2,264,954,770	2,264,954,770	2,264,954,770	2,264,954,770
Additional paid in capital					
Premium on ordinary shares	25	503,250,000	503,250,000	503,250,000	503,250,000
Retained earnings					
Appropriated					
Legal reserve	27	103,798,500	95,718,500	103,798,500	95,718,500
Unappropriated		1,277,540,594	1,294,155,329	982,662,347	1,061,266,499
Other components of equity	27	2,010,916,243	1,945,369,241	649,561,321	588,904,279
Equity attributable to equity holders					
of the Company		6,160,460,107	6,103,447,840	4,504,226,938	4,514,094,048
Non-controlling interests	14	432,950,545	307,862,398	-	-
Total equity		6,593,410,652	6,411,310,238	4,504,226,938	4,514,094,048
Total liabilities and equity		14,282,993,203	13,765,074,107	8,089,095,177	8,480,760,839

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



# STATEMENT OF INCOME

## 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	2015	2014	2015	2014
(in Baht)					
<b>Income</b>	28				
Revenue from sale of goods and rendering of services	5	11,472,070,376	14,475,879,642	4,705,801,421	5,465,816,474
Gain on sales of investments	4,12	15,749,698	155,091,984	8,000,000	251,795,603
Fees and other income	5,29	172,254,731	112,486,493	795,111,798	832,568,581
<b>Total income</b>		<b>11,660,074,805</b>	<b>14,743,458,119</b>	<b>5,508,913,219</b>	<b>6,550,180,658</b>
<b>Expenses</b>					
Cost of sale of goods and rendering of services	5	9,552,847,978	12,195,497,731	4,000,580,838	4,657,774,488
Selling expenses	5,30	731,865,599	769,098,070	433,227,658	474,562,624
Administrative expenses	5,31	1,546,418,603	1,647,777,884	836,151,744	886,624,442
Finance costs	5	154,909,625	162,742,623	77,371,766	81,272,551
<b>Total expenses</b>	33	<b>11,986,041,805</b>	<b>14,775,116,308</b>	<b>5,347,332,006</b>	<b>6,100,234,105</b>
Share of profit of investments in associates and joint ventures, net		589,950,105	543,419,843	-	-
<b>Profit before income tax expense</b>		<b>263,983,105</b>	<b>511,761,654</b>	<b>161,581,213</b>	<b>449,946,553</b>
Income tax expense	34	(41,106,931)	(124,997,452)	-	-
<b>Profit for the year</b>		<b>222,876,174</b>	<b>386,764,202</b>	<b>161,581,213</b>	<b>449,946,553</b>
<b>Profit attributable to:</b>					
Owners of the Company		209,922,473	352,511,790	161,581,213	449,946,553
Non-controlling interests	14	12,953,701	34,252,412	-	-
<b>Profit for the year</b>		<b>222,876,174</b>	<b>386,764,202</b>	<b>161,581,213</b>	<b>449,946,553</b>
<b>Earnings per share</b>	35				
Basic earnings per share		0.09	0.16	0.07	0.21
Diluted earnings per share		0.09	0.16	0.07	0.21

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 For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2015	2014	2015	2014
	(in Baht)			
Profit for the year	222,876,174	386,764,202	161,581,213	449,946,553
Other comprehensive income				
<i>Items that will never be reclassified to profit or loss</i>				
Gain on revaluation of property, net	59,140,754	-	50,452,754	-
Gain on revaluation of investment property, net	-	66,970,634	-	27,223,702
Defined benefit plan actuarial gains (losses)	9,301,270	-	5,609,888	-
	68,442,024	66,970,634	56,062,642	27,223,702
<i>Items that are or may be reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	125,379	32,353	-	-
Net change in fair value of available-for-sale investments	10,204,288	143,353,105	10,204,288	143,353,105
	10,329,667	143,385,458	10,204,288	143,353,105
Other comprehensive income for the year	78,771,691	210,356,092	66,266,930	170,576,807
Total comprehensive income for the year	301,647,865	597,120,294	227,848,143	620,523,360
Total comprehensive income attributable to:				
Owners of the Company	284,533,259	549,517,928	216,628,367	620,523,360
Non-controlling interests	17,114,606	47,602,366	-	-
Total comprehensive income for the year	301,647,865	597,120,294	216,628,367	620,523,360

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												
	Retained earnings	Other components of equity											
		Currency translation differences of the financial statements	Fair value changes of investments, net	Revaluation surplus on assets, net	Change in percentage of holding in subsidiaries and associates	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity				
										Legal reserve	Unappropriated	Portion of subsidiary (in Baht)	Portion of subsidiary
Note	Issued and paid-up share capital	Share premium											
Year ended 31 December 2014													
	2,099,954,770	-	73,220,500	1,163,637,242	(2,923,471)	198,862,872	219,464,600	47,089,123	1,277,087,920	1,739,581,044	5,076,393,556	312,392,730	5,388,786,286
Transactions with owners, recorded directly in equity													
Contributions by and distributions to equity holders													
25	Issue of ordinary shares	165,000,000	503,250,000	-	-	-	-	-	-	-	668,250,000	-	668,250,000
	Paid-up share capital of non-controlling interests	-	-	-	-	-	-	-	-	-	-	6,716,000	6,716,000
	Dividends of subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(28,373,781)	(28,373,781)
	Dividends to owners of the Company	-	-	-	(199,495,703)	-	-	-	-	-	-	(199,495,703)	-
Total contributions by and distributions to equity holders													
	165,000,000	503,250,000	-	(199,495,703)	-	-	-	-	-	-	488,754,297	(21,857,781)	447,096,516
Changes in ownership interests in subsidiaries													
13	Increase in non-controlling interests without a change in control	-	-	-	-	-	-	-	8,782,059	8,782,059	8,782,059	(30,474,917)	(21,692,858)
	Total transactions with owners, recorded directly in equity	165,000,000	503,250,000	-	(199,495,703)	-	-	-	8,782,059	8,782,059	477,536,356	(52,132,698)	425,403,658
Comprehensive income for the year													
	Profit for the year	-	-	-	352,511,790	-	-	-	-	-	352,511,790	34,252,412	386,764,202
	Other comprehensive income	-	-	-	-	29,419	143,353,105	27,223,702	26,399,912	197,006,138	197,006,138	13,349,954	210,356,092
	Total comprehensive income for the year	-	-	-	352,511,790	29,419	143,353,105	27,223,702	26,399,912	-	549,517,928	47,602,366	597,120,294
Transfer to legal reserve													
27	-	-	22,498,000	(22,498,000)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014													
	2,264,954,770	503,250,000	95,718,500	1,294,155,329	(2,894,052)	342,215,977	246,688,302	73,489,035	1,285,869,979	1,945,369,241	6,103,447,840	307,862,398	6,411,310,238

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

# STATEMENT OF CHANGES IN EQUITY

## LOXLEY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Note	Consolidated financial statements												
		Retained earnings			Other components of equity									
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences of the financial statements	Fair value changes of investments, net	Revaluation surplus on assets, net	Change in percentage of holding in subsidiaries and associates	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity	
Year ended 31 December 2015														
Balance at 1 January 2015														
		2,264,954,770	503,250,000	95,718,500	1,294,155,329	(2,894,052)	342,215,977	246,688,302	73,489,035	1,285,869,979	1,945,369,241	6,103,447,840	307,862,398	6,411,310,238
Transactions with owners, recorded directly in equity														
Contributions by and distributions to equity holders														
		-	-	-	-	-	-	-	-	-	-	-	20,860,000	20,860,000
		-	-	-	-	-	-	-	-	-	-	-	(20,631,468)	(20,631,468)
36		-	-	-	(226,495,477)	-	-	-	-	-	-	(226,495,477)	-	(226,495,477)
Total contributions by and distributions to equity holders														
		-	-	-	(226,495,477)	-	-	-	-	-	-	(226,495,477)	228,532	(226,266,945)
Changes in ownership interests in subsidiaries														
13		-	-	-	-	-	-	-	-	(1,025,515)	(1,025,515)	(1,025,515)	107,745,009	106,719,494
Total transactions with owners, recorded directly in equity														
		-	-	-	(226,495,477)	-	-	-	-	(1,025,515)	(1,025,515)	(227,520,992)	107,973,541	(119,547,451)
Comprehensive income for the year														
		-	-	-	209,922,473	-	-	-	-	-	-	209,922,473	12,953,701	222,876,174
		-	-	-	8,038,269	145,774	10,204,288	50,452,754	5,769,701	-	66,572,517	74,610,786	4,160,905	78,771,691
Total comprehensive income for the year														
		-	-	-	217,960,742	145,774	10,204,288	50,452,754	5,769,701	-	66,572,517	284,533,259	17,114,606	301,647,865
Transfer to legal reserve														
27		-	-	8,080,000	(8,080,000)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015														
		2,264,954,770	503,250,000	103,798,500	1,277,540,594	(2,748,278)	352,420,265	297,141,056	79,258,736	1,284,844,464	2,010,916,243	6,160,460,107	432,950,545	6,593,410,652

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

## **STATEMENT OF CHANGES IN EQUITY**

### **LOXLEY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

		Separate financial statements								
		Retained earnings		Other components of equity						
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated investments, net	Fair value changes of available-for-sale investments, net	Revaluation surplus on assets, net	Total other components of equity		
Note										Total equity
(in Baht)										
Year ended 31 December 2014										
		2,099,954,770	-	73,220,500	833,313,649	198,862,872	219,464,600	418,327,472	3,424,816,391	
Transactions with owners, recorded directly in equity										
Contributions by and distributions to equity holders										
	25	165,000,000	503,250,000	-	-	-	-	-	668,250,000	
	36	-	-	-	(199,495,703)	-	-	-	(199,495,703)	
Total contributions by and distributions to equity holders		165,000,000	503,250,000	-	(199,495,703)	-	-	-	468,754,297	
Comprehensive income for the year										
		-	-	-	449,946,553	-	-	-	449,946,553	
		-	-	-	-	143,353,105	27,223,702	170,576,807	170,576,807	
Total comprehensive income for the year		-	-	-	449,946,553	143,353,105	27,223,702	170,576,807	620,523,360	
Transfer to legal reserve										
	27	-	-	22,498,000	(22,498,000)	-	-	-	-	
Balance at 31 December 2014										
		2,264,954,770	503,250,000	95,718,500	1,061,266,499	342,215,977	246,688,302	588,904,279	4,514,094,048	

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

## STATEMENT OF CHANGES IN EQUITY

### LOXLEY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Separate financial statements							
		Retained earnings		Other components of equity					
		Issued and paid-up share capital	Share premium	Legal reserve	Fair value		Revaluation surplus on assets, net	Total other components of equity	
Unappropriated investments, net	changes of available-for-sale								
Note									
(in Baht)									
Year ended 31 December 2015									
		2,264,954,770	503,250,000	95,718,500	1,061,266,499	342,215,977	246,688,302	588,904,279	4,514,094,048
Transactions with owners, recorded directly in equity									
Contributions by and distributions to equity holders									
36	Dividends to owners of the Company	-	-	-	(226,495,477)	-	-	-	(226,495,477)
	Total contributions by and distributions to equity holders								
		-	-	-	(226,495,477)	-	-	-	(226,495,477)
Comprehensive income for the year									
	Profit for the year	-	-	-	161,581,213	-	-	-	161,581,213
	Other comprehensive income	-	-	-	(5,609,888)	10,204,288	50,452,754	60,657,042	55,047,154
	Total comprehensive income for the year	-	-	-	155,971,325	10,204,288	50,452,754	60,657,042	216,628,367
Transfer to legal reserve									
27		-	-	8,080,000	(8,080,000)	-	-	-	-
Balance at 31 December 2015									
		2,264,954,770	503,250,000	103,798,500	982,662,347	352,420,265	297,141,056	649,561,321	4,504,226,938

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	2015	2014	2015	2014
		(in Baht)			
Cash flows from operating activities					
Profit for the year		222,876,174	386,764,202	161,581,213	449,946,553
Adjustments for					
Depreciation and amortisation		185,394,410	175,956,938	51,819,163	56,049,392
Interest income		(41,184,366)	(41,561,671)	(32,054,091)	(30,577,717)
Finance costs		154,909,625	162,742,623	77,371,766	81,272,551
Unrealised gain on exchange		(5,418,321)	(5,911,893)	(5,962,180)	(6,274,085)
Dividends received		(25,362,795)	(25,691,987)	(695,628,227)	(754,486,813)
Written off withholding tax deducted at source		705,363	30,893,809	42,060	707
Set up provision for:					
-Doubtful accounts for trade and other accounts receivable		46,402,870	88,930,621	30,450,312	26,432,579
-Doubtful accounts for short-term loans to related parties		11,050,000	8,500,000	11,050,000	8,500,000
-Decline in value of inventories		14,136,553	23,839,697	8,967,748	18,704,087
-Decline in value of investment in associate		15,666,433	-	64,044,216	25,000,000
Impairment losses on property, plant and equipment and intangible assets		68,714,767	89,308,657	14,214,411	41,992,665
Written off advances payment to suppliers		7,000,000	-	7,000,000	-
Gain on acquisitions and disposals of subsidiaries	4	(22,563,916)	-	-	-
Gain on sales of investments in associates		(15,749,698)	(155,091,984)	(8,000,000)	(251,795,603)
Reversal of loss from revaluation of property		(699,500)	-	(699,500)	-
Loss (gain) on disposals of property, plant and equipment and intangible assets		4,114,405	11,725,384	4,956,951	(789,195)
Share of profit from investments in associates and joint ventures		(589,950,105)	(543,419,843)	-	-
Exchange differences on translation of the financial statements of foreign operations		125,379	32,353	-	-
Income tax expense		41,106,931	124,997,452	-	-
		71,274,209	332,014,358	(310,846,158)	(336,024,879)
Changes in operating assets and liabilities					
Trade and other accounts receivable		(1,050,776,738)	828,081,723	283,788,087	(307,182,151)
Unbilled trade accounts receivable		61,854,062	245,939,298	(33,612,441)	(271,789,251)
Retentions receivable		(107,221,812)	(57,181,229)	(107,221,812)	(42,397,381)
Inventories		213,231,451	(63,495,261)	(96,054,500)	(7,607,753)
Advances paid to suppliers		(30,152,075)	24,114,768	(78,273,386)	(11,544,111)
Other current assets		(57,674,363)	37,576,420	(23,288,271)	3,750,746
Other non-current assets		(14,305,934)	7,389,928	903,388	14,891,898

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	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
Trade and other accounts payable	(610,490,265)	266,381,133	(336,074,651)	636,957,315
Advances received from customers	8,543,114	72,940,734	(58,187,448)	88,708,088
Employee benefit obligations	81,104,659	36,101,649	21,982,633	20,827,199
Other current liabilities	(239,823,680)	(175,313,996)	(109,374,632)	(74,221,118)
Withholding tax deducted at source refunded	11,042,173	35,046,817	-	31,954,766
Income tax and withholding tax deducted at source paid	(119,062,405)	(206,930,060)	(40,697,007)	(41,610,266)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,782,457,604)</b>	<b>1,382,666,282</b>	<b>(886,956,198)</b>	<b>(295,286,898)</b>
<i><b>Cash flows from investing activities</b></i>				
Interest received	14,033,010	13,866,295	5,657,388	4,792,270
Dividends received	606,612,425	706,731,865	630,228,227	846,244,257
(Increase) decrease in current investments	(148,165,021)	(455,284,212)	156,357,469	(255,733,657)
Net effect on cash flow from acquisitions and disposal of subsidiaries	(15,208,981)	-	-	-
Increase in investments in subsidiaries	-	-	(239,002,160)	(68,464,385)
Increase in investments in associates and joint ventures	-	(98,500,050)	-	(73,500,100)
Increase in other long-term investments	-	(6,048)	-	(6,048)
Increase in short-term loans to related parties	(11,050,000)	(8,500,000)	(11,050,000)	(8,500,000)
(Increase) decrease in short-term loans to other party	13,522,503	(33,793,751)	-	-
Cash dividends of subsidiaries paid to non-controlling interests	(20,631,468)	(28,373,781)	-	-
Increase in property, plant and equipment	(88,892,477)	(113,810,590)	(66,575,347)	(28,162,848)
Increase in intangible assets	(20,221,294)	(26,097,660)	(13,968,640)	(8,056,617)
Proceeds from sales of investments in associates, net	56,000,100	257,795,603	56,000,100	257,795,603
Proceeds from paid-up share capital of non-controlling interests	20,860,000	6,716,000	-	-
Proceeds from sales of property, plant and equipment and intangible assets	8,593,861	8,936,077	4,050,552	2,241,486
<b>Net cash provided by investing activities</b>	<b>415,452,658</b>	<b>229,679,748</b>	<b>521,697,589</b>	<b>668,649,961</b>

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	2015	2014	2015	2014
(in Baht)					
<b>Cash flows from financing activities</b>					
Finance costs paid		(155,711,456)	(163,432,482)	(77,995,248)	(81,642,197)
Dividends paid to owners of the Company		(226,495,477)	(199,495,703)	(226,495,477)	(199,495,703)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		475,474,672	(633,607,438)	(24,119,279)	114,305,398
Increase (decrease) in short-term loans from related parties		(5,000,000)	(8,216,064)	(180,000,000)	20,000,000
Increase in short-term loans from other party		92,972,280	592,964	-	-
Increase in long-term liabilities		800,000,000	-	800,000,000	-
Increase in long-term debentures		1,000,000,000	-	1,000,000,000	-
Repayment of long-term liabilities		(1,638,212,403)	(242,850,934)	(1,508,768,246)	(141,715,082)
Proceeds from issue of ordinary shares		-	668,250,000	-	668,250,000
Acquisition of non-controlling interests		-	(34,670,000)	-	-
<b>Net cash provided by (used in) financing activities</b>		<b>343,027,616</b>	<b>(613,429,657)</b>	<b>(217,378,250)</b>	<b>379,702,416</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(1,023,977,330)</b>	<b>998,916,373</b>	<b>(582,636,859)</b>	<b>753,065,479</b>
Cash and cash equivalents at 1 January		1,757,052,794	758,568,903	841,322,555	88,689,558
Effect of exchange rate changes on balances held in foreign currencies		1,734,517	(432,482)	1,734,517	(432,482)
<b>Cash and cash equivalents at 31 December</b>	6	<b>734,809,981</b>	<b>1,757,052,794</b>	<b>260,420,213</b>	<b>841,322,555</b>

### Non cash transaction

During 2015, the Group acquired property, plant and equipment totaling Baht 218 million (2014: Baht 168 million) which included equipment of finance lease totaling Baht 30 million (2014: Baht 54 million) and cash payments of Baht 89 million (2014: Baht 114 million).

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

## **NOTE TO THE FINANCIAL STATEMENT**

### **LOXLEY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

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# NOTE TO THE FINANCIAL STATEMENT

## LOXLEY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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 2016.

### 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 (26% shareholding) which was incorporated in Thailand.

The principal businesses of the Company are trading and turnkey contract sales of telecommunication equipment and other items. Active subsidiaries mainly engage in their core businesses of trading, sales and services of computers, sales of consumer products, providing food service and others services. Details of the Company’s subsidiaries as at 31 December 2015 and 2014 were as follows:

Name of the entity	Type of Business	Ownership interest (%)	
		2015	2014
<i>Direct subsidiaries</i>			
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 Solutions Company Limited	Provide alternative energy source of all types, selling electricity and gas, and waste management	99	99
L Solar 2 Co., Ltd.	Solar power plant business	99	99
Loxley Power Systems Co., Ltd.	System integration of power system	99	–
L–Elevator and Engineering Co., Ltd.	Trading and installation of elevator and escalator	99	–
Loxley Wireless Public Company Limited	Sale and service of telecommunication and information technology systems	85	85
Green Natural Products Co., Ltd.	Manufacture and distribute citrus essential oil	75	75
L Solar 1 Co., Ltd.	Manufacture and distribute electricity	70	–
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
Societe Commercial Lao	Trading in Lao People's Democratic Republic	62	62

Name of the entity	Type of Business	Ownership interest (%)	
		2015	2014
<i>Direct subsidiaries</i>			
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
LB EV Co., Ltd.	Manufacturing, assembly, trading electricity automotive including related equipment	51	–
Loxley Trading Company Limited	Sale of consumer products	50	50
Parts Zone (Thailand) Co., Ltd.	Trading in automotive parts and equipment	–	74
<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
LWSN Company Limited	Service of telecommunication, information technology systems and submarine cable network	85	–
LWTN Company Limited	Service of telecommunication, information technology systems and fiber optics	85	–

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 new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's/Company's accounting policies. These changes have no material effect on the financial statements. These changes have no material effect on the financial statements.

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 annual financial periods beginning on or after 1 January 2016 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 41.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Investment in trading securities	Fair value
Investment in available-for-sale securities	Fair value
Investment properties	Fair value
Land	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 judgements and estimates**

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 prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 3 (s)	Current and deferred taxation
Note 16	Valuation of investment properties
Note 17	Valuation of land
Note 24	Employee benefit obligations
Note 39	Contingent liabilities

### *Measurement of fair values*

A number of the Group's/Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group/Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

When measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 16 – investment properties
- Note 17 – property, plant and equipment
- Note 37 – financial instruments

## **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **(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 joint ventures.

### *Business combinations*

The Group/Company applies the acquisition method for all business combinations when control is transferred to the Group 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 (NCI) 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. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

#### *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 joint ventures 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 are translated to the functional currency at the foreign exchange rates at the reporting date.

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

Foreign currency differences 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 exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

**(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 and text books using first-in first out principle. Cost 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, associates and joint ventures*

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures 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.

Debt securities and 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. Where these investments are interest-bearing, interest calculated using the effective interest method 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) Investment properties***

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

***(i) 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 presented in "revaluation surplus" 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.

#### *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in "revaluation surplus" in other components of equity. Any loss is recognised in other comprehensive income and presented in "revaluation surplus" in other components of equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

#### *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 – 10	years
Tools and equipment	3 – 10	years
Equipment held for lease	3 and 5	years
Vehicles	5	years

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

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

## **(j) Intangible assets**

### *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 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 and others	3 – 10	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

*(k) Impairment*

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

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

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

*Calculation of recoverable amount*

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

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

*Reversals of impairment*

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

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

**(l) Interest-bearing liabilities**

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

**(m) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(n) Employee benefits**

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Group's/Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary with sufficient regularity using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Group/Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group/Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Termination benefits*

Termination benefits are expensed at the earlier of when the Group/Company can no longer withdraw the offer of those benefits and when the Group/Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

#### *Short-term employee benefits*

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

#### **(o) Provisions**

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

#### *Warranties*

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

#### **(p) Revenue**

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

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

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

#### *Service contracts revenue*

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

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

#### *Other services income*

When the Group/Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of other services income made by the Group/Company.

#### *Rental income*

Rental income from investment property and others 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.

### **(q) 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.

### **(r) Lease payments**

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

### **(s) Income tax**

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in associates, subsidiaries and joint venture 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.

**(t) *Earnings per share***

The Group/Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise warrants.

**(u) *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 associates and joint ventures accounted for using the equity method, dividend income and central expenses.



## 4 Acquisitions and disposals of subsidiaries and non-controlling interests

### (a) Acquisition of subsidiary

In October 2015, the Group acquired 25% additional investment in L Solar 1 Co., Ltd., an associate of the Group, in amount of Baht 95 million. The associate operates in generating and distributing electricity and has its authorized and fully paid-up share capital amounting to Baht 220 million. The Group has negative goodwill amounting to Baht 5 million which was recorded in the statement of income for the year ended 31 December 2015, bringing the change in percentage of holding from 45% to 70%. The associate thereby became a subsidiary of the Group and was included in the consolidated financial statement for the year ended 31 December 2015.

In the three months to 31 December 2015, L Solar 1 Co., Ltd. contributed revenue of Baht 41 million and profit of Baht 16 million to the Group's results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have been Baht 158 million and consolidated profit for the year ended 31 December 2015 would have been Baht 75 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

#### Consideration transferred

	Fair value (in million Baht)
Cash	95

#### Identifiable assets acquired and liabilities assumed

	Fair value (in million Baht)
Cash and cash equivalents	74
Trade and other receivables	14
Unbilled trade accounts receivable	12
Other current assets	1
Property, plant and equipment – Net	601
Intangible assets	5
Trade and other accounts payable	(4)
Long-term liabilities	(306)
<b>Total identifiable net assets</b>	<b>397</b>
Carrying amount of the investment in associate before becoming a subsidiary	(178)
Non-controlling interests	(119)
Negative goodwill	(5)
<b>Purchase consideration transferred</b>	<b>95</b>
Net cash acquired with the subsidiary	74
Cash paid	(95)
<b>Net cash outflows</b>	<b>(21)</b>

In January 2015, the Company incorporated a new subsidiary, Loxley Power Systems Co., Ltd., with a registered share capital of Baht 5 million, and were fully paid up in May 2015. The said subsidiary engages in system integration of power system. The Company held 99% of shares and voting right in the subsidiary. In October 2015, Loxley Power Systems Co., Ltd., a subsidiary of the Company, increased its registered share capital from Baht 5 million to Baht 20 million, which were fully paid up. The Company paid up the increase in share capital according to percentage of shareholding of 99%, amounting to Baht 15 million. The Group included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2015. The consolidation of such entity does not have any material impact on the consolidated financial statements.

In January 2015, the Company purchased 99% shareholding, equivalent to 30,000 common shares, of L-Elevator and Engineering Co., Ltd. at Baht 100 per share (par value), totalling Baht 3 million. The said company engages in trading and installation of elevator and escalator. The Company has negative goodwill amounting to Baht 1.9 million which was recorded as other income in the consolidated statement of income. The Group included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2015. The consolidation of such entity does not have any material impact on the consolidated financial statements.

In October 2015, the Company incorporated a new subsidiary, LB EV Co., Ltd., with a registered capital of Baht 40 million and 25% paid-up share capital. This company engages in manufacturing, assembly, trading, import and export electricity automotive including related equipment. The Company held 51% of shares and voting right in the subsidiary and included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2015. The consolidation of such entity does not have any material impact on the consolidated financial statements.

In December 2015, a subsidiary of the Company incorporated new subsidiary, LWSN Company Limited, with a registered capital of Baht 1 million and 25% paid-up share capital. This company engages in telecommunications and information technology systems and submarine cable network business. The subsidiary held 99% of shares and voting right in the indirect subsidiary (the Group indirectly held 85%) and included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2015. The consolidation of such entity does not have any material impact on the consolidated financial statements.

In December 2015, a subsidiary of the Company incorporated new subsidiary, LWTN Company Limited, with a registered capital of Baht 1 million and 25% paid-up share capital. This subsidiary engages in telecommunications and information technology systems and fiber optics business. The subsidiary held 99% of shares and voting right in the indirect subsidiary (the Group indirectly held 85%) and included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2015. The consolidation of such entity does not have any material impact on the consolidated financial statements.

***(b) Acquisition of interests in subsidiary without a change of control***

In May 2015, Loxbit Public Company Limited, a subsidiary of the Company, increased the authorised and fully paid up share capital from Baht 375 million to Baht 450 million. The Company purchased the increase share capital of Baht 75 million at par value. As at 31 December 2015, the Company's percentage of holding in the subsidiary remains at 99%.

In October 2015, L Food Solutions Company Limited, a subsidiary of the Company, increased its registered share capital from Baht 20 million to Baht 30 million, which are fully paid up. The Company paid up the increase in share capital according to percentage of shareholding of 99%, amounting to Baht 10 million.

In October 2015, Loxley Property Development Co., Ltd., a subsidiary of the Company, increased its registered share capital from Baht 152.50 million to Baht 200 million, which are fully paid up. The Company paid up the increase in share capital according to percentage of shareholding of 66%, amounting to Baht 31 million.

#### 2014

In January 2014, Loxley Intertrade (Guangzhou) Co., Ltd., a subsidiary of the Company, increased its registered share capital from USD 160,000 (equivalent to Baht 5.0 million) to USD 480,000 (equivalent to Baht 15.4 million), which are fully paid up. The Company paid up the increase in share capital according to percentage of shareholding of 99%, amounting to USD 320,000 (equivalent to Baht 10.4 million).

In January 2014, Loxley Property Development Co., Ltd., a subsidiary of the Company, increased its registered share capital from Baht 133 million to Baht 153 million, which are fully paid up. The Company paid up the increase in share capital according to percentage of shareholding of 66%, amounting to Baht 13 million.

In March 2014, Parts Zone (Thailand) Co., Ltd., a subsidiary of the Company, increased its registered share capital from Baht 25 million to Baht 35 million, which are fully paid up. The Company paid up the increase in share capital amounting to Baht 10 million, resulting in increase of the Company's shareholding percentage from 64% to 74%. The Group has gain from changes in percentage of holding amounting to Baht 0.9 million which was recorded under "change in percentage of holding in subsidiaries and associates" in other components of equity.

In July 2014, the Company purchases share capital in Loxley Wireless Public Company Limited., a subsidiary of the Company, from a shareholder amounting to 14.67 million shares, Baht 34.67 million (the bidding price is approximately equivalent to net book value of the subsidiary as at 30 June 2014). Stock repurchasing of the shares caused the Company's percentage of shareholding in the subsidiary increased from 80% to 85%. The Group has loss from changes in percentage of holding amounting to Baht 5.1 million which was recorded under "change in percentage of holding in subsidiaries and associates" in other components of equity.

In October 2014, the Company incorporated a new subsidiary, L Solar 2 Co., Ltd., with a registered capital and fully paid up share capital of 100,000 Baht. The Company held 99% shareholding in the entity. This subsidiary engages in solar power plant business.

#### *(c) Partial disposal of interest in subsidiary with a change of control*

In October 2015, Parts Zone (Thailand) Co., Ltd., a subsidiary of the Group, increased its registered share capital by Baht 21 million from Baht 35 million to Baht 56 million. The increasing share capital was entirely sold to an overseas strategic partner in amount of Baht 59 million (including share premium), resulting in the decrease in percentage of holding from 74% to 46% and loss of control in this subsidiary and became an associate. The deconsolidation of such entity does not have any material impact on the consolidated financial statements. The Group has gain from changes in percentage of holding amounting to Baht 16 million which was recorded in statement of income for the year ended 31 December 2015.

## 5 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
<b><i>Major shareholder</i></b>	
Ekpavee Company Limited	A major shareholder, 26% shareholding of the Company, common director
<b><i>Direct Subsidiaries</i></b>	
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 Solutions Company Limited	A direct subsidiary, 99% shareholding, common director
L Solar 2 Co., Ltd.	A direct subsidiary, 99% shareholding, common director
Loxley Power Systems Co., Ltd.	A direct subsidiary, 99% shareholding, common director
L-Elevator and Engineering Co., Ltd.	A direct subsidiary, 99% shareholding, common director
Loxley Wireless Public Company Limited	A direct subsidiary, 85% shareholding, common director
Green Natural Products Co., Ltd.	A direct subsidiary, 75% shareholding, common director
L Solar 1 Co., Ltd.	A direct subsidiary, 70% 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
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
LB EV Co., Ltd.	A direct subsidiary, 51% shareholding, common director
Loxley Trading Company Limited	A direct subsidiary, 50% shareholding, common director
<b><i>Indirect subsidiaries</i></b>	
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
LWSN Company Limited	An indirect subsidiary, 85% shareholding, common director
LWTN Company Limited	An indirect subsidiary, 85% shareholding, common director

Name of entities	Nature of relationships
<b><i>Direct associates</i></b>	
Oriental Post Co., Ltd.	A direct associate, 50% shareholding, common director
Parts Zone (Thailand) Co., Ltd.	A direct associate, 46% shareholding, common director
Thai Fiber Optics Company Limited	A direct associate, 40% 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	A direct associate, 20% shareholding, common director
NS BlueScope Lysaght (Thailand) Limited	A direct associate, 20% shareholding, common director
BlueScope Buildings (Thailand) Limited	A direct associate, 20% shareholding, common director
Loxley GTECH Technology Co., Ltd.	An associate, 35% shareholding (direct and indirect), common director
<b><i>Indirect associates</i></b>	
Postique Co., Ltd.	An indirect associate, 50% shareholding, common director
BP-Castrol (Thailand) Limited	An indirect associate, 40% shareholding, common director
Wisdom Vast Company Limited	An indirect associate, 30% shareholding
Ecartstudio Company Limited	An indirect associate, 26% shareholding, common director
MOCAP Limited	An indirect associate, 25% shareholding, common director
<b><i>Direct joint ventures</i></b>	
Car Convinie Co., Ltd.	A direct joint venture, 51% shareholding, common director
L S Technology Solutions Co., Ltd.	A direct joint venture, 50% shareholding, common director
<b><i>Indirect joint ventures</i></b>	
Loxley & AIT Holding Co., Ltd.	An indirect joint venture, 43% shareholding, common director
SLA Asia Company Limited	An indirect joint venture, 26% shareholding, common director
<b><i>Key management personnel</i></b>	
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.
<b><i>Other related parties</i></b>	
Thanakorn Vegetable Oil Products 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
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

<b>Name of entities</b>	<b>Nature of relationships</b>
LTS Travel Service Co., Ltd.	A related party, shareholding by Company's director, common director
Thai Herbal Products Company Limited	A related party, shareholding by Company and Company's director; common director
Eximnet Co., Ltd.	A related party, shareholding by subsidiary company, common director

***Other related parties***

Muang Thai Insurance Public Company Limited	A related party, shareholding by company, common director
Muang Thai Life Assurance Public Company Limited	A related party, common director
Good Marine Products Co., Ltd	A related party, shareholding by the major shareholder, common director
MappointAsia (Thailand) Public Company Limited	A related party, shareholding by the major shareholder
The Lamsam Estate Co., Ltd.	A related party, shareholding by Company's director, common director
Mainstay Property Solutions Co., Ltd.	A related party, shareholding by the major shareholder, 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:

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods and rendering of services	Market prices, contractually agreed prices or third party compatible prices
Fees and other income	Market prices or contractually agreed prices
Dividend income	As declared for dividend
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
Purchase of equipment	Contractually agreed prices

Significant transactions for the years ended 31 December 2015 and 2014 with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Subsidiaries</b>				
Sale of goods and rendering of services	-	-	164	56
Fees and other income	-	-	37	32
Dividend income	-	-	414	471
Purchases of goods and rendering of services	-	-	86	69
Selling expenses	-	-	9	11
Administrative expenses	-	-	116	191
Finance costs	-	-	1	1
<b>Associates and joint ventures</b>				
Sale of goods and rendering of services	13	5	7	1
Fees and other income	18	16	18	15
Dividend income	-	-	257	260
Purchase of goods and rendering of services	309 <sup>1</sup>	309 <sup>1</sup>	302 <sup>1</sup>	309 <sup>1</sup>
Administrative expenses	3	-	1	-
Purchase of equipment	76	-	-	-
<b>Other related parties</b>				
Sale of goods and rendering of services	96	28	77	16
Fees and other income	6	5	5	5
Dividend income	20	4	19	2
Purchases of goods and rendering of services	1,073 <sup>2</sup>	986 <sup>2</sup>	11	17
Selling expenses	6	6	6	6
Administrative expenses	22	27	11	14
Key management personnel compensation	238	223	76	77

<sup>1</sup> The amount mainly comprises purchase and installation of project equipments from an associate, totaling Baht 261 million and Baht 287 million, for the years then ended 31 December 2015 and 2014, respectively 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 1,060 million and Baht 942 million for the years ended 31 December 2015 and 2014 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:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Short-term management benefits	204	212	70	71
Long-term management benefits	34	11	6	6
<b>Total</b>	<b>238</b>	<b>223</b>	<b>76</b>	<b>77</b>

Balances as at 31 December 2015 and 2014 with related parties were as follows:



*Trade and other accounts receivable – related parties*

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
<i>(in million Baht)</i>					
<b>Subsidiaries</b>					
Loxley Intertrade (Guangzhou) Co., Ltd		-	-	117	25
Loxley Mobile Company Limited		-	-	7	7
Loxley Property Development Co., Ltd.		-	-	3	5
Parts Zone (Thailand) Co., Ltd.		-	-	-	15
Others		-	-	6	4
<b>Associates and joint ventures</b>					
Loxley GTECH Technology Co., Ltd.	12	273	246	273	246
Parts Zone (Thailand) Co., Ltd.		11	-	11	-
Others		4	3	2	3
<b>Other related parties</b>					
LOC Thai Joint Stock Company		14	10	11	8
Muang Thai Life Assurance					
Public Company Limited		11	-	11	-
L Business Process Outsourcing Co., Ltd.		4	7	-	3
Others		4	11	1	7
<b>Total</b>		<b>321</b>	<b>277</b>	<b>442</b>	<b>323</b>
<i>Less allowance for doubtful accounts</i>		<i>(275)</i>	<i>(248)</i>	<i>(279)</i>	<i>(253)</i>
<b>Net</b>		<b>46</b>	<b>29</b>	<b>163</b>	<b>70</b>
Bad debts and doubtful debts expense					
for the year		27	26	27	26

*Dividend receivables*

<i>Year ended 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<i>(in million Baht)</i>				
<b>Subsidiaries</b>				
Loxley Joint and Hold Co., Ltd.	-	-	50	-
Loxbit Public Company Limited	-	-	13	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>63</b>	<b>-</b>

## Deposit

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(in million Baht)			
<b>Subsidiary</b>				
Loxley Property Development Co., Ltd.	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>

## Loans to related parties

Year ended 31 December	Note	Interest rate		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014	2015	2014
		(% per annum)		(in million Baht)			
<b>Short-term loans</b>							
<b>Subsidiary</b>							
Loxley Mobile Company Limited		-	6	-	-	20	20
<b>Associate</b>							
Loxley GTECH Technology Co., Ltd.	12	6	6	<u>452</u>	<u>441</u>	<u>452</u>	<u>441</u>
<b>Total</b>				<b>452</b>	<b>441</b>	<b>472</b>	<b>461</b>
Less allowance for doubtful accounts				<u>(452)</u>	<u>(441)</u>	<u>(472)</u>	<u>(461)</u>
<b>Net</b>				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bad debts and doubtful debts expense for the year				<u>11</u>	<u>9</u>	<u>11</u>	<u>9</u>

Movements during the years ended 31 December 2015 and 2014 of loans to related parties were as follows:

***Loans to related parties***

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b><i>Short-term loans</i></b>				
<b>Subsidiary</b>				
At 1 January	-	-	-	-
Increase	-	-	-	-
Decrease from set up allowance for doubtful accounts	-	-	-	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Associate and joint ventures</b>				
At 1 January	-	-	-	-
Increase	12	9	11	9
Decrease	(1)	-	-	-
Decrease from set up allowance for doubtful accounts	(11)	(9)	(11)	(9)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total short-term loans to related parties</b>				
At 1 January	-	-	-	-
Increase	12	9	11	9
Decrease	(1)	-	-	-
Decrease from set up allowance for doubtful accounts	(11)	(9)	(11)	(9)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The currency denomination of loans to related parties as at 31 December 2015 and 2014 was denominated entirely in Thai Baht.

***Trade and other accounts payable – related parties***

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Subsidiaries</b>				
Loxley Power Systems Co., Ltd.	-	-	11	-
Others	-	-	13	12
<b>Associate and joint ventures</b>				
Loxley & AIT Holding Co., Ltd.	81	-	-	-
NS BlueScope Lysaght (Thailand) Limited	27	101	27	101
Others	16	6	9	5
<b>Other related parties</b>				
Thanakorn Vegetable Oil Products Co., Ltd.	160	151	-	-
Others	3	9	1	4
<b>Total</b>	<b>287</b>	<b>267</b>	<b>61</b>	<b>122</b>

*Accrued expenses – related party*

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Subsidiary				
Loxley Property Development Co., Ltd.	-	-	1	12
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>12</b>

*Loans from related parties*

	Interest rate		Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2015	2014	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in million Baht)</i>			
<b>Short-term loans</b>						
<b>Major shareholder</b>						
Ekpavee Company Limited	-	6	-	5	-	-
<b>Subsidiary</b>						
Loxley Joint and Hold Co., Ltd.	1.8	1.8	-	-	60	240
<b>Related parties</b>						
L-Elevator and Engineering Co., Ltd.	-	-	-	-	-	-
<b>Total</b>			<b>-</b>	<b>5</b>	<b>60</b>	<b>240</b>

Movements during the years ended 31 December 2015 and 2014 of loans from related parties were as follows:

*Loans from related parties*

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Short-term loans</b>				
<b>Major shareholder</b>				
At 1 January	5	7	-	-
Increase	-	6	-	-
Decrease	(5)	(8)	-	-
<b>At 31 December</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Subsidiary</b>				
At 1 January	-	-	240	220
Increase	-	-	-	345
Decrease	-	-	(180)	(325)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>240</b>

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Other related parties</b>				
At 1 January	-	6	-	-
Increase	-	1	-	-
Decrease	-	(7)	-	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Total short-term loans from related parties

At 1 January	5	13	240	220
Increase	-	7	-	345
Decrease	(5)	(15)	(180)	(325)
<b>At 31 December</b>	<b>-</b>	<b>5</b>	<b>60</b>	<b>240</b>

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	-	-	9	11
After one year but within five years	-	-	2	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>11</b>

## 6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Cash on hand and cash at banks – current accounts	137	178	97	101
Cash at banks – savings accounts	552	1,319	151	536
Highly liquid short – term investments	26	250	-	200
Cheque on hand	20	10	12	4
<b>Total</b>	<b>735</b>	<b>1,757</b>	<b>260</b>	<b>841</b>

Highly liquid short-term investments consisted of promissory notes, fixed deposits at banks, and others. Maturity period less than 3 months from the acquisition date.

The currency denomination of cash and cash equivalents as at 31 December 2015 and 2014 was as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Thai Baht (THB)	712	1,460	240	545
United States Dollars (USD)	23	297	20	296
<b>Total</b>	<b>735</b>	<b>1,757</b>	<b>260</b>	<b>841</b>

## 7 Deposits pledged as collateral

As at 31 December 2015, fixed deposits and promissory notes at financial institutions which were presented in other non-current assets in consolidated financial statement amounting to Baht 32 million *(2014: Baht 27 million)* have been pledged as collateral for the Group's projects performance.

## 8 Trade and other accounts receivable

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
Related parties	5	321	277	442	323
Other parties		3,507	2,547	867	1,240
<b>Total</b>		<b>3,828</b>	<b>2,824</b>	<b>1,309</b>	<b>1,563</b>
<i>Less</i> allowance for doubtful accounts		(470)	(462)	(330)	(300)
<b>Net</b>		<b>3,358</b>	<b>2,362</b>	<b>979</b>	<b>1,263</b>
Bad debts and doubtful debts expenses for the year		46	89	30	26

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

<i>Year ended 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Related parties</b>				
Within credit terms	22	5	95	37
Overdue:				
Less than 3 months	13	19	43	29
3–6 months	8	11	18	12
6–12 months	19	15	28	18
Over 12 months	259	227	258	227
<b>Total</b>	<b>321</b>	<b>277</b>	<b>442</b>	<b>323</b>
Less allowance for doubtful accounts	(275)	(248)	(279)	(253)
<b>Net</b>	<b>46</b>	<b>29</b>	<b>163</b>	<b>70</b>
 <b>Other parties</b>				
Within credit terms	1,303	1,300	461	635
Overdue:				
Less than 3 months	801	882	215	449
3–6 months	169	62	48	52
6–12 months	997	88	57	49
Over 12 months	237	215	86	55
<b>Total</b>	<b>3,507</b>	<b>2,547</b>	<b>867</b>	<b>1,240</b>
Less allowance for doubtful accounts	(195)	(214)	(51)	(47)
<b>Net</b>	<b>3,312</b>	<b>2,333</b>	<b>816</b>	<b>1,193</b>
<b>Total</b>	<b>3,358</b>	<b>2,362</b>	<b>979</b>	<b>1,263</b>

Included in trade and other accounts receivable – other parties over the age thresholds of 6 months as at 31 December 2015 and 2014 are amounts receivable from government agencies and state enterprises as follows:

<i>Year ended 31 December</i>	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
6–12 months	942	13	3	-
Over 12 months	9	45	4	4
<b>Total</b>	<b>951</b>	<b>58</b>	<b>7</b>	<b>4</b>



The currency denomination of trade and other accounts receivable as at 31 December 2015 and 2014 was as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Thai Baht (THB)	3,691	2,785	1,172	1,525
United States Dollars (USD)	137	39	137	38
<b>Total</b>	<b>3,828</b>	<b>2,824</b>	<b>1,309</b>	<b>1,563</b>

## 9 Short-term loans to other parties

<i>Year ended 31 December</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in million Baht)</i>			
Other parties	7.5	7.5	47	61	-	-

Movements during the years ended 31 December 2015 and 2014 of the short-term loans to other parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Short-term</b>				
<b>Other parties</b>				
At 1 January	61	27	-	-
Increase	18	105	-	-
Decrease	(32)	(71)	-	-
<b>At 31 December</b>	<b>47</b>	<b>61</b>	<b>-</b>	<b>-</b>

The Group's and the Company's short-term loans to other parties as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

## 10 Inventories

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Merchandise inventories	532	914	245	271
Project equipment and project in progress	533	382	250	100
Goods in transit	37	78	37	77
<b>Total</b>	<b>1,102</b>	<b>1,374</b>	<b>532</b>	<b>448</b>
<i>Less</i> allowance for decline in value	(58)	(55)	(36)	(38)
<b>Net</b>	<b>1,044</b>	<b>1,319</b>	<b>496</b>	<b>410</b>
Inventories recognised as cost of sale of goods and rendering of services				
– Cost of sale of goods and rendering of services	8,180	10,962	3,987	4,648
Inventories recognised as administrative expenses				
– Provisions for declining in value	14	24	9	19
– Effect from acquisitions and disposals of subsidiaries	2	-	-	-
– Reversal of provision for declining in value	(13)	(15)	(11)	(9)
	<b>3</b>	<b>9</b>	<b>(2)</b>	<b>10</b>

## 11 Other current assets

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Advance to employees	54	40	37	17
Value added tax	43	21	20	16
Prepaid expenses	41	34	15	12
Promotion receivables	29	31	-	-
Accrued income	16	17	10	13
Others	41	28	7	10
<b>Total</b>	<b>224</b>	<b>171</b>	<b>89</b>	<b>68</b>

## 12 Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Associates</b>				
At 1 January	3,048	3,146	1,108	1,091
Increase	-	61	-	48
Transfer from investments in subsidiaries				
to associates	48	-	26	-
Share of profit from investments, net	601	554	-	-
Dividend income	(584)	(610)	-	-
Impairment loss	(16)	-	(59)	(25)
Decrease	(40)	(103)	(48)	(6)
Transfer from investments in associates				
to subsidiaries	(178)	-	(99)	-
<b>At 31 December</b>	<b>2,879</b>	<b>3,048</b>	<b>928</b>	<b>1,108</b>
<b>Joint ventures</b>				
At 1 January	90	51	30	5
Increase	-	50	-	25
Share of loss from investments, net	(11)	(11)	-	-
Impairment loss	-	-	(5)	-
<b>At 31 December</b>	<b>79</b>	<b>90</b>	<b>25</b>	<b>30</b>
<b>Total</b>				
At 1 January	3,138	3,197	1,138	1,096
Increase	-	111	-	73
Transfer from investments in subsidiaries				
to associates	48	-	26	-
Share of profit from investments, net	590	543	-	-
Dividend income	(584)	(610)	-	-
Impairment loss	(16)	-	(64)	(25)
Decrease	(40)	(103)	(48)	(6)
Transfer from investments in associates				
to subsidiaries	(178)	-	(99)	-
<b>At 31 December</b>	<b>2,958</b>	<b>3,138</b>	<b>953</b>	<b>1,138</b>

### 2015

In November 2015, the Company disposed investment in Chonlakisakol Co., Ltd., an associate of the Company, to non-related party totaling Baht 56 million and recognized gain on sales of investments amounting to Baht 16 million and Baht 8 million in consolidated financial statement and separate financial statement, respectively.

## 2014

In June 2014, Ecartstudio Company Limited, an indirect associate, increased its registered share capital from Baht 10 million to Baht 12 million, by calling the fully paid up amount of Baht 53 million. The Company did not pay for the Company's portion of the said additional share capital that caused the Company's percentage in shareholding decreased from 30% to 26%. The Group has gain from changes in percentage of holding amounting to Baht 13 million which was recorded under "change in percentage of holding in subsidiaries and associates" in other components of equity.

In October 2014, the Company purchased 160,000 shares in Chonlakisakol Co., Ltd., 20% interest of its paid-up share capital, amounting to Baht 48 million (the bidding price is approximately equivalent to fair value appraised by an independent financial advisor). The said company is incorporated in Thailand and engages in trading unboiled water business, and has an authorised and fully paid up capital of Baht 80 million. The Company classified this investment as an associate.

In November 2014, the Company incorporated a new company, Car Convenie Co., Ltd. The Company paid for its share capital of Baht 25 million. The said company is incorporated in Thailand and engages in vehicle body repair and paint services. The said company has authorised and fully paid-up share capital amounting to Baht 50 million. The Company held 51% of shares and shared equal voting right in the above company. The Company classified this investment as a joint venture.

In November 2014, a subsidiary paid for additional share capital in Loxley & AIT Holding Co., Ltd., a joint venture, amounting to Baht 25 million, with the percentage of holding remains at 50% (indirectly holding by the Group 43%).

In December 2014, the Company sold its investment in Guardfire Limited, an associate of the Company, to non-related party totaling Baht 258 million (net of selling expense of the investment amounting to Baht 1 million), with gain on sales of investments amounting to Baht 155 million in consolidated financial statements and Baht 252 million in separate financial statements.

Investments in associates and joint ventures are based on the audited financial statements as at 31 December 2015 and 2014 except:

Investments in three associates, NS BlueScope Lysaght (Thailand) Limited, NS BlueScope (Thailand) Limited and BlueScope Buildings (Thailand) Limited, which their accounting period is different from the Loxley group's accounting period. Those associates have their accounting period ending on 30 June which is the same as their foreign parent company. Investments in those associates were recorded by including the financial statements of three associates for the years ended 30 June 2015 and 2014, 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 2015 and 2014, which had been reviewed, but not audited by auditors. The carrying value of the investments in the consolidated financial statements as at 31 December 2015 and 2014 were Baht 1,707 million and Baht 1,724 million, respectively, and the share of their net profit for the years ended 31 December 2015 and 2014 were Baht 220 million and Baht 217 million, respectively. However, during 2015, the Company's management received the audited financial statements of the said three associates for the year ended 30 June 2015. The Company's management has determined the said financial statements and financial information, and believes that there were no significant adjustment that would affect to the consolidated financial statements for the year ended 31 December 2015.

Investments in associates and joint ventures as at 31 December 2015 and 2014, and dividend income for the years then ended were as follows:

### Consolidated financial statements

Ownership interest	Paid-up capital		Cost method		Equity method		Impairment		At equity – net		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
(*)												
Associates												
Oriental Post Co., Ltd.	50	150 million Baht	84	84	16	54	(16)	-	-	54	-	-
Parts Zone (Thailand) Co., Ltd.	46	56 million Baht	48	-	48	-	-	-	48	-	-	-
Thai Fiber Optics Company Limited	40	100 million Baht	40	40	160	167	-	-	160	167	8	18
BP – Castrol (Thailand) Limited	40	49 million Baht	20	20	887	830	-	-	887	830	327	350
Loxley GTECH Technology Co., Ltd.	35	300 million Baht	105	105	-	-	-	-	-	-	-	-
Thantaya Technology Co., Ltd.	30	4 million Baht	12	12	13	11	-	-	13	11	1	-
Wisdom Vast Company Limited	30	7 million Baht	5	5	6	5	-	-	6	5	-	-
Mobile Innovation Co., Ltd.	27	184 million Baht	50	50	18	18	-	-	18	18	-	-
Ecartstudio Company Limited	26	12 million Baht	10	10	13	14	-	-	13	-	-	-
Fosoco (Thailand) Limited	26	10 million Baht	3	3	21	15	-	-	21	15	4	27
MOCAP Limited	25	61 million Baht	15	15	6	5	-	-	6	5	-	-
NS BlueScope Lysaght (Thailand) Limited	20	600 million Baht	120	120	227	233	-	-	227	233	17	19
NS BlueScope (Thailand) Limited	20	5,000 million Baht	640	640	1,406	1,408	-	-	1,406	1,408	205	168
BlueScope Buildings (Thailand) Limited	20	360 million Baht	72	72	74	83	-	-	74	83	15	10
L Solar 1 Co., Ltd.	-	-	-	99	-	159	-	-	-	159	7	14
Chonlakisakol Co., Ltd.	-	-	-	48	-	46	-	-	-	46	-	-
Guardfire Limited	-	-	-	-	-	-	-	-	-	-	-	4
			1,224	1,323	2,895	3,048	(16)	-	2,879	3,048	584	610
Joint ventures												
Car Convnie Co., Ltd.	51	50 million Baht	25	25	23	25	-	-	23	25	-	-
	50	10 million Baht	5	5	-	2	-	-	-	2	-	-
Co., Ltd.												
Loxley & AIT Holding Co., Ltd	43	150 million Baht	75	75	56	63	-	-	56	63	-	-
			105	105	79	90	-	-	79	90	-	-
			1,329	1,428	2,974	3,138	(16)	-	2,958	3,138	584	610
Total												

## Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost – net		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(*)											
	(in million Baht)											
<b>Associates</b>												
Oriental Post Co., Ltd.	50	50	150	million Baht	84	84	(84)	(25)	-	59	-	-
Parts Zone (Thailand) Co., Ltd.	46	-	56	million Baht	26	-	-	-	26	-	-	-
Thai Fiber Optics Company Limited	40	40	100	million Baht	40	40	-	-	40	40	8	18
Thanthiya Technology Co., Ltd.	30	30	4	million Baht	12	12	-	-	12	12	1	-
Mobile Innovation Co., Ltd.	27	27	184	million Baht	50	50	(35)	(35)	15	15	-	-
Fosoco (Thailand) Limited	26	26	10	million Baht	3	3	-	-	3	3	4	27
NS BlueScope Lysaght (Thailand) Limited	20	20	600	million Baht	120	120	-	-	120	120	17	19
NS BlueScope (Thailand) Limited	20	20	5,000	million Baht	640	640	-	-	640	640	205	168
BlueScope Buildings (Thailand) Limited	20	20	360	million Baht	72	72	-	-	72	72	15	10
L Solar 1 Co., Ltd.	-	45	-	million Baht	-	99	-	-	-	99	7	14
Chonlakisakol Co., Ltd.	-	20	-	million Baht	-	48	-	-	-	48	-	-
Loxley GTECH Technology Co., Ltd.	18	18	300	million Baht	55	55	(55)	(55)	-	-	-	-
Guardfire Limited	-	-	-	-	-	-	-	-	-	-	-	4
					1,102	1,223	(174)	(115)	928	1,108	257	260
<b>Joint ventures</b>												
Car Convinte Co., Ltd.	51	51	50	million Baht	25	25	-	-	25	25	-	-
L S Technology Solutions Co., Ltd.	50	50	10	million Baht	5	5	(5)	-	-	5	-	-
					30	30	(5)	-	25	30	257	-
<b>Total</b>					1,132	1,253	(179)	(115)	953	1,138	257	260

### Associates and joint ventures

The following table summarises the financial information of the material associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	BP-Castrol (Thailand) Limited		NS BlueScope (Thailand) Limited	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Revenue	5,072	4,990	10,607	11,728
Total comprehensive income	<u>959</u>	<u>764</u>	<u>1,011</u>	<u>895</u>
Attributable to NCI	384	305	203	179
Attributable to associates' major shareholders	575	459	808	716
Current assets	2,353	2,069	4,670	5,625
Non-current assets	750	638	4,827	4,372
Current liabilities	(819)	(568)	(2,372)	(2,868)
Non-current liabilities	<u>(67)</u>	<u>(64)</u>	<u>(72)</u>	<u>(64)</u>
<b>Net assets</b>	<b><u>2,217</u></b>	<b><u>2,075</u></b>	<b><u>7,053</u></b>	<b><u>7,065</u></b>
Attributable to NCI	887	830	1,406	1,408
Attributable to associates' major shareholders	1,330	1,245	5,647	5,657
Group's interest in net assets of associates at 1 January	830	875	1,408	1,397
Total comprehensive income attributable to the Group	384	305	203	179
Dividends received during the year	<u>(327)</u>	<u>(350)</u>	<u>(205)</u>	<u>(168)</u>
<b>Group's interest in net assets of associates at 31 December</b>	<b><u>887</u></b>	<b><u>830</u></b>	<b><u>1,406</u></b>	<b><u>1,408</u></b>

### Immaterial associates and joint ventures

The following is summarized financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial Associates		Immaterial Joint ventures	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	586	810	79	90
Group's share of total comprehensive income	14	70	(11)	(11)



### 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 2015 and 2014, 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 reliably estimate 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 2015 and 2014 as required by TAS 36 (revised 2014) "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 receivables (note 5)	Short-term loans (note 5)	Total
	(in million Baht)			
<b><i>Balance</i></b>				
At 1 January 2014	105	220	432	757
Addition	-	26	9	35
<b>At 31 December 2014</b>	<b>105</b>	<b>246</b>	<b>441</b>	<b>792</b>
Addition	-	27	11	38
<b>At 31 December 2015</b>	<b>105</b>	<b>273</b>	<b>452</b>	<b>830</b>
<b><i>Allowance for doubtful accounts</i></b>				
At 1 January 2014	105	220	432	757
Addition	-	26	9	35
<b>At 31 December 2014</b>	<b>105</b>	<b>246</b>	<b>441</b>	<b>792</b>
Addition	-	27	11	38
<b>At 31 December 2015</b>	<b>105</b>	<b>273</b>	<b>452</b>	<b>830</b>
<b><i>Net book value</i></b>				
<b>At 31 December 2014</b>	-	-	-	-
<b>At 31 December 2015</b>	-	-	-	-

In the consolidated financial statements, the Group complies with TAS 28 (revised 2014) "Investments in Associates and Joint Ventures" 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 2015 and 2014, 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:

<b>Consolidated financial statements</b>	Investment	Trade receivable (note 5)	Short-term loans (note 5)	Total
		<i>(in million Baht)</i>		
<b>Balance</b>				
At 1 January 2014	105	220	432	757
Addition	-	26	9	35
<b>At 31 December 2014</b>	<b>105</b>	<b>246</b>	<b>441</b>	<b>792</b>
Addition	-	27	11	38
<b>At 31 December 2015</b>	<b>105</b>	<b>273</b>	<b>452</b>	<b>830</b>
<b>Equity loss</b>				
At 1 January 2014	105	143	57	305
Addition	-	-	-	-
<b>At 31 December 2014</b>	<b>105</b>	<b>143</b>	<b>57</b>	<b>305</b>
Addition	-	-	-	-
<b>At 31 December 2015</b>	<b>105</b>	<b>143</b>	<b>57</b>	<b>305</b>
<b>Allowance for doubtful accounts</b>				
At 1 January 2014	-	77	375	452
Addition	-	26	9	35
<b>At 31 December 2014</b>	<b>-</b>	<b>103</b>	<b>384</b>	<b>487</b>
Addition	-	27	11	38
<b>At 31 December 2015</b>	<b>-</b>	<b>130</b>	<b>395</b>	<b>525</b>
<b>Net book value</b>				
At 31 December 2014	-	-	-	-
At 31 December 2015	-	-	-	-

## 13 Investments in subsidiaries

	<b>Separate financial statements</b>	
	2015	2014
	<i>(in million Baht)</i>	
At 1 January	1,953	1,884
Acquisition	239	69
Transfer from investment in associates to subsidiaries	99	-
Transfer from investment in subsidiaries to associates	(26)	-
<b>At 31 December</b>	<b>2,265</b>	<b>1,953</b>

Investments in subsidiaries as at 31 December 2015 and 2014 and dividend income for years ended were as follows:

Separate financial statements										
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost – net	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(%)								(in million Baht)	
<b>Subsidiaries</b>										
Data Mining Co., Ltd.	99	99	20 million Baht	20 million Baht	20	20	-	-	20	-
Loxbit Public Company Limited	99	99	450 million Baht	375 million Baht	476	401	-	-	476	401
Loxley Joint and Hold Co., Ltd.	99	99	1,000 million Baht	1,000 million Baht	1,000	1,000	-	-	1,000	1,000
Loxley Mobile Company Limited	99	99	20 million Baht	20 million Baht	20	20	(20)	(20)	-	-
L Food Solutions										
Company Limited	99	99	30 million Baht	20 million Baht	30	20	-	-	30	20
Loxley Intertrade										
(Guangzhou) Co., Ltd.	99	99	0.48 million USD	0.48 million USD	16	16	-	-	16	16
L Green Solutions										
Company Limited	99	99	2.5 million Baht	2.5 million Baht	2	2	-	-	2	-
L Solar 2 Co., Ltd.	99	99	0.1 million Baht	0.1 million Baht	-	-	-	-	-	-
Loxley Power Systems Co., Ltd.	99	-	20 million Baht	-	20	-	-	-	20	-
L-Elevator and Engineering Co., Ltd.	99	-	3 million Baht	-	3	-	-	-	3	-
Loxley Wireless Public										
Company Limited	85	85	275 million Baht	275 million Baht	255	255	-	-	255	255
Green Natural Products Co., Ltd.	75	75	4 million Baht	4 million Baht	14	14	-	-	14	14
L Solar 1 Co., Ltd.	70	-	220 million Baht	-	193	-	-	-	193	-
Asia Security Management										
Co., Ltd.	69	69	100 million Baht	100 million Baht	70	70	-	-	70	-
Loxley Property										
Development Co., Ltd.	66	66	200 million Baht	153 million Baht	136	104	-	-	136	104
Societe Commercial Lao	62	62	4,135 million Kip	4,135 million Kip	19	19	(19)	(19)	-	-
L Force 1 Co., Ltd.	60	60	20 million Baht	20 million Baht	12	12	(12)	(12)	-	-
Loxley Global Co., Ltd.	51	51	99 million Baht	99 million Baht	50	50	(50)	(50)	-	-
LB EV Co., Ltd.	51	-	10 million Baht	-	5	-	-	-	5	-
Loxley Trading Company Limited	50	50	50 million Baht	50 million Baht	25	25	-	-	25	25
Parts Zone (Thailand) Co., Ltd.	-	74	-	35 million Baht	-	26	-	-	-	26
			2,366	2,054	(101)	(101)	-	-	2,265	1,953
									414	471

## 14 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest:

	31 December 2015					
	Loxley Property Development Co., Ltd.	L Solar 1 Co., Ltd.	Loxley Wireless Public Company Limited	Loxley Trading Company Limited	Other individually immaterial subsidiaries	Total
			(in million Baht)			
Non-controlling interest percentage	33.59	30.01	14.67	50.00		
Current assets	213	63	1,979	545		
Non-current assets	505	597	103	52		
Current liabilities	(110)	(74)	(1,489)	(470)		
Non-current liabilities	(170)	(223)	(50)	(32)		
Net assets	438	363	543	95		
Carrying amount of non-controlling interest	147	109	80	47	50	433
Revenue	338	41	689	2,029		
Profit (loss)	5	16	7	(4)		
Other comprehensive income	9	-	8	(1)		
Total comprehensive income	14	16	15	(5)		
Profit allocated to non-controlling interest	2	5	1	(2)	7	13
Other comprehensive income allocated to non-controlling interest	3	-	1	-	-	4
Net increase (decrease) in cash and cash equivalents	(42)	(21)	(166)	5		

31 December 2014

	Loxley Property Development Co., Ltd.	Loxley Wireless Public Company Limited	Loxley Trading Company Limited	Other individually immaterial subsidiaries	Total
	<i>(in million Baht)</i>				
Non-controlling interest percentage	33.59	14.67	50.00		
Current assets	285	1,654	508		
Non-current assets	555	124	48		
Current liabilities	(234)	(1,198)	(426)		
Non-current liabilities	(220)	(37)	(31)		
<b>Net assets</b>	<b>386</b>	<b>543</b>	<b>99</b>		
Carrying amount of non-controlling interest	129	80	50	49	308
Revenue	634	2,294	1,994		
Profit (loss)	40	148	(12)		
Other comprehensive income	40	-	-		
<b>Total comprehensive income</b>	<b>80</b>	<b>148</b>	<b>(12)</b>		
Profit (loss) allocated to non-controlling interest	14	28	(6)	(2)	34
Other comprehensive income allocated to non-controlling interest	13	-	-	-	13
Net increase (decrease) in cash and cash equivalents	1	24	(16)		

## 15 Other long-term investments

Movements during the years ended 31 December 2015 and 2014 of other long-term investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Available-for-sale securities</b>				
At 1 January	463	284	463	284
Valuation adjustment	13	179	13	179
<b>At 31 December</b>	<b>476</b>	<b>463</b>	<b>476</b>	<b>463</b>
<b>General investments</b>				
At 1 January and 31 December	62	62	25	25
<b>Total</b>	<b>538</b>	<b>525</b>	<b>501</b>	<b>488</b>



Other long-term investments as at 31 December 2015 and 2014, 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
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		(in million Baht)											2014
		Available-for-sale securities											
		- at fair value											
		Other related party											
Muang Thai Insurance Public Company Limited		5	5	590	590	36	36	-	-	440	427	476	463
												19	17
		General investments											
		- at cost											
		Other related parties											
Thanakorn Vegetable Oil Products Co., Ltd.		7	7	300	300	35	35	-	-	-	-	35	35
Others						17	17	(11)	(11)	-	-	6	6
						31	31	(10)	(10)	-	-	21	21
						83	83	(21)	(21)	-	-	62	62
						119	119	(21)	(21)	440	427	538	525
												6	9
												25	26

## 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<i>(%)</i>														
<i>(in million Baht)</i>														
<b>Available-for-sale securities – at fair value</b>														
<b>Other related party</b>														
Muang Thai Insurance														
Public Company Limited	5	5	590	590	36	36	-	-	440	427	476	463	19	17
<b>General investments – at cost</b>														
<b>Other related parties</b>														
Other parties														
Total														
					6	6	-	-	-	-	6	6	-	2
					29	29	(10)	(10)	-	-	19	19	5	5
					71	71	(10)	(10)	440	427	501	488	24	24

## 16 Investment properties

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
		<i>(in million Baht)</i>			
At 1 January		206	-	118	-
Transfer from property, plant and equipment	17	-	122	-	84
Fair value adjustments		-	84	-	34
<b>At 31 December</b>		<b>206</b>	<b>206</b>	<b>118</b>	<b>118</b>

Investment properties comprise a number of commercial properties that are leased to third parties. The each of leases contain an initial non-cancellable period of 3 years. Subsequent renewal is negotiated with the lessee. No contingent rent is charged. Two lands and buildings have been transferred from property, plant and equipment to investment properties, since part of lands and buildings were no longer used by the Group/Company and as such it was decided that part of lands and buildings would be leased to third parties.

### Measurement of fair value

#### *Fair value hierarchy*

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the latest fair value of the Group's/Company's investment property portfolio in 2014.

The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

#### *Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.	<ul style="list-style-type: none"> <li>Expected market rental growth 10% – 15% for 3-year period</li> <li>Occupancy rate 65% – 100%</li> <li>Discount rates 10% – 12%</li> </ul>	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> <li>Expected market rental growth were higher (lower);</li> <li>The occupancy rate were higher (lower); or</li> <li>The discount rate were lower (higher).</li> </ul>

## 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)
<b>Cost / revaluation *</b>								
At 1 January 2014	473	1,288	400	213	187	70	23	2,654
Additions	-	39	63	11	32	7	15	167
Disposals/written-off	-	(46)	(32)	(26)	-	(6)	-	(110)
Transfer to investment properties	(84)	(47)	-	-	-	-	-	(131)
Transfers in (out)	-	27	1	2	-	-	(30)	-
<b>At 31 December 2014</b>								
<b>and 1 January 2015</b>	<b>389</b>	<b>1,261</b>	<b>432</b>	<b>200</b>	<b>219</b>	<b>71</b>	<b>8</b>	<b>2,580</b>
Additions	1	17	33	93	25	34	15	218
Effect from acquisitions and disposals of subsidiaries, net	17	43	1	668	-	(5)	-	724
Fair value adjustments	75	-	-	-	-	-	-	75
Disposals/written-off	-	(48)	(18)	(2)	(2)	(17)	-	(87)
Transfers in (out)	-	5	1	8	-	-	(14)	-
<b>At 31 December 2015</b>	<b>482</b>	<b>1,278</b>	<b>449</b>	<b>967</b>	<b>242</b>	<b>83</b>	<b>9</b>	<b>3,510</b>

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>				
<b>Accumulated depreciation and Impairment losses</b>								
At 1 January 2014	-	782	282	147	144	52	-	1,407
Depreciation charge for the year	-	70	38	24	24	8	-	164
Impairment losses	-	28	38	-	-	-	-	66
Transfer to investment properties	-	(9)	-	-	-	-	-	(9)
Disposals/written-off	-	(27)	(31)	(24)	-	(5)	-	(87)
<b>At 31 December 2014 and 1 January 2015</b>	-	844	327	147	168	55	-	1,541
Depreciation charge for the year	-	65	33	32	37	8	-	175
Effect from acquisitions and disposals of subsidiaries, net	-	7	(1)	128	-	(4)	-	130
Impairment losses	-	20	29	6	-	-	-	55
Disposals/written-off	-	(44)	(17)	(1)	(2)	(15)	-	(79)
<b>At 31 December 2015</b>	-	892	371	312	203	44	-	1,822

## Consolidated financial statements

Net book value									
(in million Baht)									
At 1 January 2014									
Owned assets	473	506	117	66	-	12	23		1,197
Assets under finance leases	-	-	1	-	43	6	-		50
	<u>473</u>	<u>506</u>	<u>118</u>	<u>66</u>	<u>43</u>	<u>18</u>	<u>23</u>		<u>1,247</u>
At 31 December 2014 and 1 January 2015									
Owned assets	389	417	87	53	-	12	8		966
Assets under finance leases	-	-	18	-	51	4	-		73
	<u>389</u>	<u>417</u>	<u>105</u>	<u>53</u>	<u>51</u>	<u>16</u>	<u>8</u>		<u>1,039</u>
At 31 December 2015									
Owned assets	482	386	62	655	2	39	9		1,635
Assets under finance leases	-	-	16	-	37	-	-		53
	<u>482</u>	<u>386</u>	<u>78</u>	<u>655</u>	<u>39</u>	<u>39</u>	<u>9</u>		<u>1,688</u>

\* Appraised land as at 31 December 2015 for the Group amounted to Baht 482 million (2014: Baht 389 million).

The cost of fully depreciated property, plant and equipment that was still in use as at 31 December 2015 for the Group amounted to Baht 690 million (2014: Baht 589 million).

Separate financial statements

	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment (in million Baht)	Equipment held for lease	Vehicles	Construction in progress	Total
<b>Cost / revaluation *</b>								
At 1 January 2014	345	446	264	73	-	18	4	1,150
Additions	-	3	13	4	-	2	6	28
Disposals/written-off	-	(19)	(25)	(3)	-	(3)	-	(50)
Transfer to investment properties	(84)	(2)	-	-	-	-	-	(86)
Transfers in (out)	-	4	-	-	-	-	(4)	-
<b>At 31 December 2014 and 1 January 2015</b>	<b>261</b>	<b>432</b>	<b>252</b>	<b>74</b>	<b>-</b>	<b>17</b>	<b>6</b>	<b>1,042</b>
Additions	1	8	13	10	-	23	12	67
Fair value adjustments	64	-	-	-	-	-	-	64
Disposals/written-off	-	(3)	(10)	(1)	-	(3)	(1)	(18)
Transfers in (out)	-	5	-	6	-	-	(11)	-
<b>At 31 December 2015</b>	<b>326</b>	<b>442</b>	<b>255</b>	<b>89</b>	<b>-</b>	<b>37</b>	<b>6</b>	<b>1,155</b>
<b>Accumulated depreciation and impairment loss</b>								
At 1 January 2014	-	358	187	50	-	14	-	609
Depreciation charge for the year	-	16	22	8	-	1	-	47
Impairment losses	-	2	34	-	-	-	-	36
Transfer to investment properties	-	(2)	-	-	-	-	-	(2)
Disposals/written-off	-	(19)	(26)	(2)	-	(2)	-	(49)
<b>At 31 December 2014 and 1 January 2015</b>	<b>-</b>	<b>355</b>	<b>217</b>	<b>56</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>641</b>
Depreciation charge for the year	-	17	15	11	-	2	-	45
Impairment losses	-	4	1	5	-	-	-	10
Disposals/written-off	-	-	(10)	-	-	(3)	-	(13)
<b>At 31 December 2015</b>	<b>-</b>	<b>376</b>	<b>223</b>	<b>72</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>683</b>
<b>Net book value</b>								
At 1 January 2014	345	88	77	23	-	4	4	541
At 31 December 2014 and 1 January 2015	261	77	35	18	-	4	6	401
At 31 December 2015	326	66	32	17	-	25	6	472

\* Appraised land as at 31 December 2015 for the Company amounted to Baht 326 million (2014: Baht 261 million).

The cost of fully depreciated property, plant and equipment that was still in use as at 31 December 2015 for the Company amounted to Baht 436 million (2014: Baht 393 million).

## Measurement of fair value

### *Fair value hierarchy*

The fair value of land was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the latest fair value of the Group's/Company's land portfolio in 2015.

The fair value measurement for land has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

### *Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of land, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Current replacement cost; The valuation model considers the characteristics of land, compared to market prices of similar properties. The market value of land was analysed considering the relevant factors including zoning, surrounding environment, transportation facilities, size, shape and land features, and current use of land.	<ul style="list-style-type: none"> <li>Land price of neighborhood areas</li> </ul>	<ul style="list-style-type: none"> <li>The estimated fair value increase (decrease) if land price of neighborhood areas were higher (lower)</li> </ul>



## 18 Intangible assets

	Consolidated financial statements			Separate financial statements
	Software License and others	Goodwill	Total	Software License and others
	(in million Baht)			
<i>Cost</i>				
At 1 January 2014	117	58	175	74
Additions	26	-	26	8
Disposals/written-off	(18)	-	(18)	(11)
At 31 December 2014 and 1 January 2015	125	58	183	71
Additions	26	-	26	14
Disposals/written-off	(5)	-	(5)	(4)
Effect from acquisitions and disposals of subsidiaries, net	7	-	7	-
At 31 December 2015	153	58	211	81
<i>Accumulated amortization and impairment loss</i>				
At 1 January 2014	60	58	118	35
Amortisation charge for the year	11	-	11	8
Impairment losses	23	-	23	6
Disposals/written-off	(18)	-	(18)	(9)
At 31 December 2014 and 1 January 2015	76	58	134	40
Amortisation charge for the year	11	-	11	7
Impairment losses	14	-	14	4
Effect from acquisitions and disposals of subsidiaries, net	1	-	1	-
At 31 December 2015	102	58	160	51
<i>Net book value</i>				
At 1 January 2014	57	-	57	39
At 31 December 2014 and 1 January 2015	49	-	49	31
At 31 December 2015	51	-	51	30

## 19 Other non-current assets

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Withholding taxes deducted at sources	242	174	83	42
Deposits	40	31	21	21
Fixed deposits pledged as collateral	32	27	-	-
Prepaid land rental	14	15	-	-
Others	-	13	-	8
<b>Total</b>	<b>328</b>	<b>260</b>	<b>104</b>	<b>71</b>

## 20 Interest-bearing liabilities

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b><i>Current</i></b>				
Bank overdrafts				
unsecured	10	148	-	-
Short-term loans from financial institutions				
secured	170	194	-	-
unsecured	353	283	151	144
Liabilities under trust receipts				
secured	1,539	1,004	330	361
<b>Bank overdrafts and short-term loans from financial institutions</b>	<b>2,072</b>	<b>1,629</b>	<b>481</b>	<b>505</b>
Current portion of long-term loans from financial institutions				
secured	92	49	-	-
unsecured	-	260	-	260
Current portion of finance lease liabilities				
secured	32	35	3	7
<b>Current portion of long-term liabilities</b>	<b>124</b>	<b>344</b>	<b>3</b>	<b>267</b>
Short-term loans from related parties				
unsecured	5	5	60	240
Short-term loans from other party				
unsecured	114	-	-	-
	<b>2,310</b>	<b>1,978</b>	<b>544</b>	<b>1,012</b>

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b><i>Non-current</i></b>				
Long-term loans from financial institutions				
secured	305	137	-	-
unsecured	-	450	-	450
Long-term debenture	1,000	-	1,000	-
Finance lease liabilities				
secured	41	51	-	4
	<u>1,346</u>	<u>638</u>	<u>1,000</u>	<u>454</u>
<b>Non interest-bearing liabilities</b>				
<b><i>Current</i></b>				
Short-term loans from other party				
unsecured	29	50	-	-
<b>Total</b>	<u>3,685</u>	<u>2,666</u>	<u>1,544</u>	<u>1,466</u>

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

As at 31 December 2015, the above loans bear interest at the floating rates ranging from 2.75% to 7.38% p.a. (2014: 2.41% – 8.5% 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 Group long-term loans as of 31 December 2015 bear interest at the rates 5% per annum and MLR-0.5% to MLR-1.5% per annum; and are repayable in installments up to April 2020.

In May 2015, the Company entered into long-term loan agreement with a local financial institution amounting to Baht 800 million, with interest at the rates THBFIX 6 months plus agreed rate as specify in the agreement and no secured; The objective of this loan is for repayment of the previous loan and reserve for investment in project works of the Company; and are repayable in installments up from June 2016 to June 2022 in order to repay the previous loan in totaling amount. Consequently, in December 2015, the Company repaid the loan in totaling amount.

- (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 July 2024.

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

### *Long-term debenture*

In December 2015, the Company has issued debenture amounting to Baht 1,000 million for the purpose of repayment of long-term loan from financial institution and for the liquidity in operation purpose. The debenture was partially secured by a financial institution. The debenture has divided into two tranches as follow;

- (a) The first tranche of 300,000 units with a face value of Baht 1,000 per unit. The term of the first tranche is due in December 2020. The debenture bears interest at the rates 3.36% per annum. Interest will be payable every 6 months in June and December.
- (b) The second tranche of 700,000 units with a face value of Baht 1,000 per unit. The term of the second tranche is due in December 2022. The debenture bears interest at the rates 3.89% per annum. Interest will be payable every 6 months in June and December.

The Company has to comply with the conditions of the debentures including maintaining of certain financial ratios.

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Within one year	2,278	1,943	541	1,005
After one year but within five years	605	587	300	450
After five years	700	-	700	-
<b>Total</b>	<b>3,583</b>	<b>2,530</b>	<b>1,541</b>	<b>1,455</b>

Secured interest-bearing liabilities as at 31 December 2015 and 2014 were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Property, plant and equipment *	588	16	-	-
Trade accounts receivable**	54	95	-	-
<b>Total</b>	<b>642</b>	<b>111</b>	<b>-</b>	<b>-</b>

\* The Group pledged on property, plant and equipment as a collateral for borrowing long-term loan from financial institution. In 2015, the Group redeemed a part of secured property in amount of Baht 16 million.

\*\* The Group has transferred the right to banks for receipt of trade accounts receivable under project works and service contracts.

A subsidiary pledged right on certain rental proceeds and negative pledge of its asset as collateral.

The Group's/Company's credit facilities contain certain restriction on repayment of loan from director and/or related party, dividend payment, financial ratio, shareholding ratio of parent company, and others.

#### *Finance lease liabilities*

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

Consolidated financial statements						
	2015			2014		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in million Baht)</i>					
Within one year	32	4	36	35	5	40
After one year but within five years	33	4	37	41	5	46
After five years	8	1	9	10	2	12
<b>Total</b>	<b>73</b>	<b>9</b>	<b>82</b>	<b>86</b>	<b>12</b>	<b>98</b>

Separate financial statements						
	2015			2014		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in million Baht)</i>					
Within one year	3	-	3	7	1	8
After one year but within five years	-	-	-	4	-	4
<b>Total</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>11</b>	<b>1</b>	<b>12</b>

The currency denomination of interest-bearing liabilities as at 31 December 2015 and 2014 were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Thai Baht (THB)	3,685	2,645	1,544	1,445
United States Dollars (USD)	-	21	-	21
<b>Total</b>	<b>3,685</b>	<b>2,666</b>	<b>1,544</b>	<b>1,466</b>

## 21 Trade and other accounts payable

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
		<i>(in million Baht)</i>			
Related parties	5	287	267	61	122
Other parties		1,487	2,057	882	1,156
<b>Total</b>		<b>1,774</b>	<b>2,324</b>	<b>943</b>	<b>1,278</b>

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in million Baht)</i>				
Thai Baht (THB)	1,652	2,074	825	1,058
United States Dollars (USD)	110	232	106	202
Euro (EUR)	7	13	7	13
Australian Dollars (AUD)	4	4	4	4
Great Britain Pounds (GBP)	-	1	-	1
Japanese Yen (JPY)	1	-	1	-
<b>Total</b>	<b>1,774</b>	<b>2,324</b>	<b>943</b>	<b>1,278</b>

## 22 Other current liabilities

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>(in million Baht)</i>				
Accrued cost and warranty cost	553	775	126	206
Accrued expenses	175	174	42	31
Revenue Department payable	18	19	-	-
Provision	-	-	-	11
Others	114	124	29	57
<b>Total</b>	<b>860</b>	<b>1,092</b>	<b>197</b>	<b>305</b>

## 23 Deferred tax

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	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<i>Deferred tax liabilities</i>				
Credit (charge) to other comprehensive income				
At 1 January	175	122	147	104
Available-for-sale investments				
Change in fair value	2	36	2	36
Investment properties				
Change in fair value	-	17	-	7
Land				
Change in fair value	15	-	13	-
<b>At 31 December</b>	<b>192</b>	<b>175</b>	<b>162</b>	<b>147</b>

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Temporary differences				
– Provisions	284	236	233	208
– Others	178	185	76	68
Loss carrying forward	254	177	219	154
<b>Total</b>	<b>716</b>	<b>598</b>	<b>528</b>	<b>430</b>

The tax losses expire in 2016–2020. The deductible temporary differences do not expire under current tax legislation. The Group/Company did not recognised deferred tax assets because a part of the Group's/Company's income is dividend income which is exempted from tax, so it is not probable that future taxable profit will be available against which the Group/Company can utilise the benefits therefrom.

## 24 Employee benefit obligations

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group/Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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

	Consolidated		Separate	
	financial statements		financial statements	
For the year ended 31 December	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Statements of financial position</b>				
<b>obligations for</b>				
Present value of unfunded obligations	<u>535</u>	<u>465</u>	<u>311</u>	<u>283</u>
<b>Movement in employee benefit obligations</b>				
Employee benefit obligations at 1 January	465	429	283	262
Expense recognised in profit or loss				
during year	69	58	38	32
Pension plan adjustments	42	-	-	-
Actuarial (gain)/loss recognised in the year	(9)	-	6	-
Effect from acquisitions and disposals				
of subsidiaries, net	(2)	-	-	-
Benefits paid during year	<u>(30)</u>	<u>(22)</u>	<u>(16)</u>	<u>(11)</u>
<b>Employee benefit obligations at</b>				
<b>31 December</b>	<u>535</u>	<u>465</u>	<u>311</u>	<u>283</u>
<b>Expense recognised in profit or loss</b>				
Current service cost	56	42	30	22
Past service cost	42	-	-	-
Interest on obligation	<u>13</u>	<u>16</u>	<u>8</u>	<u>10</u>
<b>Total</b>	<u>111</u>	<u>58</u>	<u>38</u>	<u>32</u>
<b>Recognised in other comprehensive income:</b>				
Actuarial (gains) losses recognised in the year	<u>(9)</u>	<u>-</u>	<u>6</u>	<u>-</u>
Cumulative actuarial (gains) losses recognised	<u>(3)</u>	<u>-</u>	<u>13</u>	<u>-</u>

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Demographic assumptions	(32)	-	(3)	-
Financial assumptions	(16)	-	(21)	-
Experience adjustment	<u>39</u>	<u>-</u>	<u>30</u>	<u>-</u>
<b>Total</b>	<u>(9)</u>	<u>-</u>	<u>6</u>	<u>-</u>



### Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate (%)	2.5 - 3.8	3.4 - 4	2.7	4
Future salary growth (%)	1 - 5	3 - 5	3 - 5	5
Retirement age (Year)	60	60	60	60

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2015, the Group's and the Company's weighted-average duration of the defined benefit obligation is in range of 7 – 17 years (2014: 7 – 27 years) and 9 years (2014: 12 years), respectively.

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts show below.

	Consolidated financial statements		Separate financial statements	
	(in million Baht)			
Defined benefit obligation at				
31 December 2015	Increased	Decreased	Increased	Decreased
Discount rate (1 % movement)	(42)	47	(24)	27
Future salary growth (1 % movement)	46	(41)	26	(23)
Future mortality (1 year movement)	(44)	12	(24)	7

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 25 Share capital

	Par value per share (in Baht)	2015		2014	
		Number	Amount	Number	Amount
		(million shares / million Baht)			
<b>Authorised</b>					
At 1 January					
– ordinary shares	1	<u>2,331.25</u>	<u>2,331.25</u>	<u>2,331.25</u>	<u>2,331.25</u>
<b>At 31 December</b>					
– ordinary shares	1	<u>2,331.25</u>	<u>2,331.25</u>	<u>2,331.25</u>	<u>2,331.25</u>
<b>Issued and paid up</b>					
At 1 January					
– ordinary shares	1	2,264.95	2,264.95	2,099.95	2,099.95
Issue of new shares	1	<u>-</u>	<u>-</u>	<u>165.00</u>	<u>165.00</u>
<b>At 31 December</b>					
– ordinary shares	1	<u>2,264.95</u>	<u>2,264.95</u>	<u>2,264.95</u>	<u>2,264.95</u>

In September 2014, the Company issue and offer the sale of ordinary shares in the amount of 165 million shares, proceed from offer the sale of ordinary shares in the amount of Baht 668.25 million and share premium in the amount of Baht 503.25 million. The Company has received payment in full on 30 September 2014.

#### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## **26 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 at the ratio of 4:1 (4 new shares to 1 unit of warrant). The offering price of warrant is of nil. The Securities and Exchange Commission accepted the issuance and offering the sales of warrants and ordinary shares as to issues of warrants on 4 April 2014.

In September 2014, the Company issued and allotted 66,236,667 warrants (LOXLEY-W). These warrants are period of 3 years from the date of issuance of warrant. These warrants are exercisable at a price of Baht 7 per share at a ratio of 1 warrant to 1 ordinary share and for the first exercise date of 30 December 2014, every end of working day of March, June, September and December of each fiscal year. Over the remaining period of the warrant and the last exercise date is the maturity date of the warrants on 30 September 2017.

As at 31 December 2015, no warrant has been exercised.

## **27 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 in available-for-sale investments**

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 assets included in the financial statements at valuation until such assets 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.

## **28 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 2015 or 2014.

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	
	2015	2014	2015	2014	2015	2014	2015	2014	
	<i>(in million Baht)</i>								
External revenue	6,312	9,357	4,161	4,136	1,114	1,058	11,587	14,551	
Inter-segment revenue	188	283	236	121	17	17	441	421	
<b>Total segment revenue</b>	<b>6,500</b>	<b>9,640</b>	<b>4,397</b>	<b>4,257</b>	<b>1,131</b>	<b>1,075</b>	<b>12,028</b>	<b>14,972</b>	
Segment profit (loss) before finance costs and income tax expense	86	445	12	(118)	27	6	125	333	
Segment assets	7,793	6,552	1,718	1,641	1,745	1,690	11,256	9,883	
<b>Material items of income and expense</b>									
Cost of sales and services	5,109	7,851	3,806	3,668	958	921	9,873	12,440	
Selling and administration expenses	1,305	1,344	579	707	145	147	2,029	2,198	
Depreciation expense (included in cost of sales and services and; selling and administrative expenses)	135	124	15	20	8	7	158	151	

## Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2015	2014
	<i>(in million Baht)</i>	
<b>Revenues</b>		
Total revenue from reportable segments	12,028	14,972
Gain on sales of investments	16	155
Fees and other income	57	37
	<u>12,101</u>	<u>15,164</u>
Elimination of inter-segment revenue	(441)	(421)
<b>Consolidated revenue</b>	<u>11,660</u>	<u>14,743</u>
<b>Profit or loss</b>		
Total profit for reportable segments	125	333
Unallocated amounts:		
– Fees and other income	57	37
– Other corporate expenses	(369)	(394)
Gain on sales of investments	16	155
Share of profit from investments	590	543
<b>Consolidated profit before finance costs and income tax expense</b>	<u>419</u>	<u>674</u>
<b>Assets</b>		
Total assets for reportable segments	11,256	9,883
Other unallocated amounts	3,027	3,882
<b>Consolidated total assets</b>	<u>14,283</u>	<u>13,765</u>
<b>Unallocated total liabilities</b>	<u>7,690</u>	<u>7,354</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 government agencies and state enterprises of all the Group's segments represents approximately Baht 4,108 million (2014: Baht 6,387 million) of the Group's total revenues.

## 29 Fees and other income

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Reversal of provision for doubtful accounts	34	2	-	-
Dividend income	25	26	696	754
Effect from acquisitions and disposals of subsidiaries	23	-	-	-
Interest income	14	16	5	5
Management fee income	4	11	11	13
Rental income	4	5	17	17
Gain on exchange rate	5	5	14	3
Others	63	47	52	41
<b>Total</b>	<b>172</b>	<b>112</b>	<b>795</b>	<b>833</b>

## 30 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Employee expenditure	454	463	329	341
Promotion expenses	141	171	43	68
Transportation	57	66	27	33
Travelling expenses	31	33	8	9
Others	49	36	26	24
<b>Total</b>	<b>732</b>	<b>769</b>	<b>433</b>	<b>475</b>

## 31 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Employee expenditure	919	856	358	351
Office, equipment and vehicle rental	64	58	89	125
Depreciation and amortisation expenses	123	134	47	53
Provisions for doubtful accounts, declining value in inventories and investments; and written off withholding tax deducted at source	61	124	88	52
Entertainment	78	79	73	65
Professional and consultant fees	36	62	33	38
Travelling expense	30	32	23	25
Utilities	42	49	26	32
Impairment losses on property, plant and equipment and intangible assets	69	89	14	42
Written off advances payment to suppliers	7	-	7	-
Penalties	2	20	2	34
Others	115	145	76	70
<b>Total</b>	<b>1,546</b>	<b>1,648</b>	<b>836</b>	<b>887</b>

## 32 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Salaries, wages, overtimes and bonus	1,984	1,863	534	544
Employees' long-term benefits	154	96	47	41
Welfare	93	83	21	20
Pension and other benefits	45	50	43	49
Contribution to defined benefit plans	43	40	20	20
Others	55	46	9	6
<b>Total</b>	<b>2,374</b>	<b>2,178</b>	<b>674</b>	<b>680</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.

### 33 Expenses by nature

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Changes in inventory	(79)	(51)	(85)	1
Purchase goods, project work, services	8,259	11,013	4,072	4,647
Employee benefits expense	2,374	2,178	674	680
Depreciation and amortisation expenses	185	176	52	56
Finances cost	155	163	77	81
Promotion expenses	141	171	43	68
Office, equipment and vehicle rental	112	104	89	125
Entertainment	98	91	76	67
Travelling expense	70	70	32	34
Utilities	70	93	26	32
Impairment losses on property, plant and equipment and intangible assets	69	89	14	42
Provisions for doubtful accounts, declining value in inventories and investments; and written off withholding tax deducted at source	61	124	88	52
Transportation expense	57	66	27	33
Professional and consultant fee	54	136	33	38
Written off advances payment to suppliers	7	-	7	-
Penalty	2	33	2	34
Others	351	319	120	110
<b>Total expenses</b>	<b>11,986</b>	<b>14,775</b>	<b>5,347</b>	<b>6,100</b>

### 34 Income tax expense

#### *Income tax recognized in profit and loss*

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Current tax expense	41	125	-	-
Deferred tax expense	-	-	-	-
<b>Total</b>	<b>41</b>	<b>125</b>	<b>-</b>	<b>-</b>

#### *Income tax recognised in other comprehensive income*

##### **Tax (expense) benefit**

Available-for-sale investments	(2)	(36)	(2)	(36)
Investment properties	-	(17)	-	(7)
Land	(15)	-	(13)	-
<b>Total</b>	<b>(17)</b>	<b>(53)</b>	<b>(15)</b>	<b>(43)</b>



### Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		<u>264</u>		<u>512</u>
Income tax using the Thai corporation tax rate	20	53	20	102
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net and others		<u>(12)</u>		<u>23</u>
<b>Total</b>	<b>16</b>	<b><u>41</u></b>	<b>24</b>	<b><u>125</u></b>

	Separate financial statements			
	2015		2014	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		<u>162</u>		<u>450</u>
Income tax using the Thai corporation tax rate	20	32	20	90
Tax effect of partial income and expenses that are not taxable income or not deductible in determining taxable profit, net		<u>(32)</u>		<u>(90)</u>
<b>Total</b>	<b>-</b>	<b><u>-</u></b>	<b>-</b>	<b><u>-</u></b>

### Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group/Company has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

## 35 Earnings per share

### *Basic earnings per share*

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht / million shares)</i>			
Profit for the year attributable to ordinary shareholders of the Company (basic)	<u>209.92</u>	<u>352.51</u>	<u>161.58</u>	<u>449.95</u>
Number of ordinary shares outstanding at 1 January	2,264.95	2,099.95	2,264.95	2,099.95
Effect of shares issued on 30 September 2014	<u>-</u>	<u>42.04</u>	<u>-</u>	<u>42.04</u>
Weighted average number of ordinary shares outstanding (basic)	<u>2,264.95</u>	<u>2,141.99</u>	<u>2,264.95</u>	<u>2,141.99</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>0.09</u>	<u>0.16</u>	<u>0.07</u>	<u>0.21</u>

### *Diluted earnings per share*

The calculations of diluted earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years. Since exercise price of the warrants exceeds the weighted average of fair value of ordinary shares for the years ended 31 December 2015 and 2014, so the Company excluded the warrants for the calculation of potential diluted ordinary shares for diluted earnings per share calculation as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht / million shares)</i>			
Profit for the year attributable to ordinary shareholders of the Company (diluted)	<u>209.92</u>	<u>352.51</u>	<u>161.58</u>	<u>449.95</u>
Weighted average number of ordinary shares outstanding (basic)	2,264.95	2,141.99	2,264.95	2,141.99
Effect of issue of warrants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares outstanding (diluted)	<u>2,264.95</u>	<u>2,141.99</u>	<u>2,264.95</u>	<u>2,141.99</u>
Earnings per share (diluted) <i>(in Baht)</i>	<u>0.09</u>	<u>0.16</u>	<u>0.07</u>	<u>0.21</u>

## 36 Dividends

At the annual general meeting of shareholders of the Company held on 29 April 2015, the shareholders approved the appropriation of dividends of Baht 0.10 per share, amounting to Baht 226.5 million.

At the annual general meeting of shareholders of the Company held on 29 April 2014, the shareholders approved the appropriation of dividends of Baht 0.095 per share, amounting to Baht 199.5 million.

## 37 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 2015 and 2014, the Group/Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2015	2014	2015	2014
		(in million Baht)			
<i>United States Dollars (USD)</i>					
Cash and cash equivalent	6	23	297	20	296
Trade and other accounts receivable	8	137	39	137	38
Interest-bearing liabilities	20	-	(21)	-	(21)
Trade and other accounts payable	21	(110)	(232)	(106)	(202)
<b>Gross statements of financial position exposure</b>					
		50	83	51	111
Currency forwards, net		53	100	53	100
<b>Net assets (liabilities) exposure</b>		<b>103</b>	<b>183</b>	<b>104</b>	<b>211</b>
<i>Euros (EUR)</i>					
Trade and other accounts payable	21	(7)	(13)	(7)	(13)
<b>Gross statements of financial position exposure</b>					
		(7)	(13)	(7)	(13)
Currency forwards, net		5	29	5	29
<b>Net assets (liabilities) exposure</b>		<b>(2)</b>	<b>16</b>	<b>(2)</b>	<b>16</b>
<i>Australian Dollars (AUD)</i>					
Trade and other accounts payable	21	(4)	(4)	(4)	(4)
<b>Gross statements of financial position exposure</b>					
		(4)	(4)	(4)	(4)
Currency forwards, net		4	-	4	-
<b>Net assets (liabilities) exposure</b>		<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(4)</b>
<i>Great Britain Pounds (GBP)</i>					
Trade and other accounts payable	21	-	(1)	-	(1)
<i>Japanese Yen (JPY)</i>					
Trade and other accounts payable	21	(1)	-	(1)	-

#### **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.
- Long-term debentures  
The carrying amount approximates fair value because these debenture bear interest at approximately market rates.

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

***Fair values of financial assets and liabilities***

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2015					
Current					
Short-term investment in trading securities	635	-	635	-	635
Non-current					
Long-term investment in available-for-sale securities	476	476	-	-	476
31 December 2014					
Current					
Short-term investment in trading securities	512	-	512	-	512
Non-current					
Long-term investment in available-for-sale securities	463	463	-	-	463
Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
31 December 2015					
Current					
Short-term investment in trading securities	102	-	102	-	102
Non-current					
Long-term investment in available-for-sale securities	476	476	-	-	476
31 December 2014					
Current					
Short-term investment in trading securities	258	-	258	-	258
Non-current					
Long-term investment in available-for-sale securities	463	463	-	-	463

### *Fair value hierarchy*

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group/Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group/Company has an established control framework with respect to the measurement of fair values. This framework includes a valuation team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

## **38 Commitments with non-related parties**

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b><i>Non-cancellable operating lease commitments</i></b>				
Within one year	105	105	30	40
After one year but within five years	103	116	54	54
<b>Total</b>	<b>208</b>	<b>221</b>	<b>84</b>	<b>94</b>
<b><i>Other commitments</i></b>				
Unnegotiated letters of credits for goods and supplies	281	168	141	60
Purchase orders for goods and services accepted by suppliers	4,837	3,827	4,099	1,953
Purchase forward contracts	119	152	119	152
Selling forward contracts	57	23	57	23
Bank guarantees <i>(for projects performance, customers tender guarantees and debentures)</i>	4,401	4,077	3,023	2,602
<b>Total</b>	<b>9,695</b>	<b>8,247</b>	<b>7,439</b>	<b>4,790</b>

The purchase and sale forward contracts of 2015 will come to maturity within October 2016 *(2014: July 2015)*.

As at 31 December 2015, the Company has commitments from securing the credit facilities of an associate amounting to Baht 375 million *(2014: Baht 375 million)*.

## *Agreements*

A subsidiary has entered into an agreement relating to the co-operation project for managing book stores with a government agency. The agreement has period of 12 years, starting from 2014. The subsidiary has commitments and conditions to comply with the agreement.

## **39 Contingent liabilities**

As at 31 December 2015:

- (a) A subsidiary is subject to a litigation claim as it and three other parties were jointly sued by a customer claiming for wrongful act compensation over alleged violations. The claim for compensation amounted to Baht 37.47 million, of which Baht 27.50 million and Baht 9.97 million are attributable respectively to the principle and 7.5% interest from 30 June 2004 to 30 April 2009. The customer additionally claimed for 7.5% interest to be accrued on top of the principle from 1 May 2009 onwards. On 12 October 2010, the court has suspended consideration of the civil case and temporarily taken the case off its case field in order to await the result of the criminal case which is linked to this case. 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. In May 2014, the subsidiary received petition in which the plaintiff submitted to appeal the Court of Appeal's judgment to the Supreme Court. On 2 June 2014, the subsidiary submitted its answer to the Supreme Court.

As at 31 December 2015, the litigation proceeding in the Supreme Court was underway and the outcome 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.

- (b) Another subsidiary was involved in a lawsuit in 2009 in respect to a claim for compensation of Baht 10 million, by an insurance company of a contractor at Suvarnabhumi International Airport in conjunction with the loss of assets. In October 2012, the Court of First Instance dismissed the case. Consequently, on 15 July 2014, the Court of Appeals issued judgments reaffirmed the judgments of the Court of First Instance and judgments to dismiss the plaintiff's appeal. Later on 26 September 2014, the plaintiff submitted the petition to the Supreme Court. On 20 August 2015, the Supreme Court issued judgments of the Court of Appeals, the case was then completely terminated. From the result of the judgments, the subsidiary is not liable to pay compensation.



## 40 Events after reporting period

In January 2016, The Company has purchased 474,000 shares of Loxley Property Development Co., Ltd., a subsidiary of the Company, from the Company's major shareholder totalling Baht 74 million (net book value as at 31 December 2015) that caused the Company's percentage in shareholding of this subsidiary increased from 66% to 90%.

## 41 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's/Company's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group/Company does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 3 (revised 2015)	Business Combinations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease

TFRS	Topic
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers

The Group/Company 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**

## **Financial Audit Fee**

The Company and its subsidiaries paid annual financial audit fee to audit firm, individual, or related business to the auditor or audit firm in the total amount of Baht 9,440,000

## **Other Non-audit Fee**

The Company and its subsidiaries paid observation fee in merchandize annihilation to audit firm, individual, or related business to the auditor or audit firm in the total amount of Baht 76,800

# **OTHER PARTIES**

### **Registrar**

Thailand Securities Depository Company Limited  
93 Ratchadapisek Road, Dindaeng Subdistrict,  
Dingdaeng District, Bangkok 10400, Thailand  
Tel: +66 (0) 2009-9000 or Call Center: +66 (0) 2009-9999  
Fax: +66 (0) 2009-9991

### **Auditor**

Mr. Veerachai Ratanajaratkul	Certified auditor No. 4323 or
Mr. Charoen Poosamritlert	Certified auditor No. 4068 or
Ms. Vipavan Pattavanvivek	Certified auditor No. 4795

KPMG Phoomchai Audit Limited  
50<sup>th</sup> – 51<sup>st</sup> Floor, Empire Tower Building  
1 South Sathorn, Yannawa Subdistrict, Sathorn District, Bangkok 10120, Thailand  
Tel: +66 (0) 2677-2000  
Fax: +66 (0) 2677-2222

### **Debentureholders' Representative and Registrar**

CIMB Thai Bank PCL.  
Head Office No. 44 Langsuan Road, Lumpini, Pathum Wan, Bangkok 10330  
Tel: +66 (0) 2626-7506, 2626-7511  
Fax: +66 (0) 2626-7543

### **Financial Advisor**

–None–

### **Legal Advisor**

–None–

# **OFFICE LOCATIONS**

## **Head Office**

102 Na Ranong Road, Klong Toey , Bangkok 10110, Thailand

Telephone : +66(0) 2348-8000

Facsimile : +66(0) 2348-8001

Homepage : [www.loxley.co.th](http://www.loxley.co.th)

## **Branch Offices**

### **Loxley Bangkhen Building**

2 Soi Phaholyothin 19, Chatuchak , Bangkok 10900, Thailand

Telephone : +66 (0) 2515-8200

### **Loxley Suapah Building**

304 Suapah Road, Pomprab Sattruphai, Bangkok 10100, Thailand

Telephone : +66 (0) 2622-9223

### **Siripinyo Building**

475 11<sup>th</sup> Floor Siripinyo Building, Sri Ayudhaya Road,

Thanonphrayathai, Ratchathewi, Bangkok 10400, Thailand

Telephone : +66 (0) 2248-0270-71

## **Regional Office**

244/2 Wua Lai Road, Hai Ya Subdistrict, Muang Chiangmai District,

Chiangmai Province 50100, Thailand

Telephone : +66 (0) 5328-3238

## **Warehouse**

83 Moo 5, Baanmai Subdistrict, Muang Pathumthani District,

Pathumthani Province 12000, Thailand

Telephone : +66 (0) 2019-6000-10

9/45 Moo 5, Phaholyothin Road, Klong Nueng Subdistrict, Klong Luang District,

Pathumthani Province 12120, Thailand

1 Moo 9, Huaybon-Thalan Road, Bankuar Subdistrict, Banmor District,

Saraburi Province 18270, Thailand

Telephone : +66 (0) 3628-8800





## **Loxley Public Company Limited**

102 Na Ranong Road, Klong Toey,  
Bangkok 10110, Thailand

Phone : (66) 0-2348-8000

Fax : (66) 0-2348-8001

[www.loxley.co.th](http://www.loxley.co.th)