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# ANNUAL REPORT 2017

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Loxley Public Company Limited







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# 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.



# CORPORATE GOALS AND STRATEGY

In 2017, the Company had gone through the business transformation from one with multiplicity to that with specificity which focuses on businesses with strong points and greater competitive edge to meet market changes as well as economic, political and social changes that will lead to sustainable development for the Company. This business restructure will be of benefits to the Company, not only in wiping off its image as operator of multi-faceted businesses but by re-organizing its task forces, it is now focused on businesses with profitable trends and potential and are prevalent in the growing industries. Each business group will comprise of proximate work units which are conducive towards one another such that they can build up their strong points to boost not only their income but also their competitive edge which will help cut down on duplicated expenses in this synergy to both increase its revenue and reduce expenses. Operations under this new business re-organization will start in 2018. In brief, the main goals for 3-dimensional development in this business re-organization are as follows:





## BACKGROUND, MAJOR CHANGES AND MILESTONES



Loxley Public Company Limited has operated its business for over 78 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.



# MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

May I first take this opportunity to express my deep condolences on the death of Mr. Pairote Lamsam, former Chairman of the Board of Directors who passed away on January 17, 2018. Throughout his life, his contribution and behavior had been acknowledged as exemplary in various areas, namely a member of the Senate, the National Legislative Council or Advisor to the Minister of Communications, as well as a philanthropist in many public and social works. In addition, his advices and opinions provided to the management had been always beneficial to the Company.

After his death, the Company's Board of Directors, at its Meeting No. 1/2561 on February 23, 2018, unanimously adopted its resolution to appoint me as the next Chairman. I will dedicate my knowledge, ability and experience to ensure that our organization will continue its prosperity and sustainable growth in the future.

In the early of 2018, we have transformed our business structure once again to keep pace with an ever-changing business environment. This past one year has proved the fact that we have indeed headed to the right direction.

In this new business structure, the Company will selectively consider running businesses with great potential in the growing industry. The similar and congruent business units are classified and grouped together so that their capabilities can be strengthened, additional revenue can be maximized and ultimately, the competitive advantage can be enhanced. Moreover, the unnecessary expenses will also be reduced. I strongly believe that this business transformation will create a recognizable development and evolution for Loxley in the years to come.



Another important mission is to conduct a corporate social responsibility. The Company supports include the project to support the disabled athletes where our athletes won several medals from the ASEAN Para Games 2017, the Creative Communities Project, the project that contributes back to the society and several volunteer projects.

On behalf of the Company's Board of Directors, I would like to express my gratefulness to our shareholders, investors, business partners, customers and financial institutions for their continuing support toward our business operations. Last but not least, I deeply appreciate the dedication of our executives and employees for the Company.

With the capabilities of Loxley personnel coupled with our business transformation and the support from every entities in the Company, I am confident that Loxley Group will definitely develop towards prosperity.

**(Mr. Dhongchai Lamsam)**  
Chairman of the Board



## ACTIVITIES IN 2017



“**Loxley Souls Threaded Together in Heartfelt Gratitude for His Majesty King Rama IX**” were held in 9 activities in his honour such as making the traditional incendiary (Chand) flowers for his cremation, public reading of his speeches and planting of sunflower plants to show the loyalty and endless gratitude felt by his people and the nation.



The “**Loxley Learning Centre**” was handed over to the Ban Mae Thao Klang Mitraparb Community School at 26, Mae Sot District, Tak Province with Air Chief Marshal Prajin Jantong, Deputy Prime Minister presiding over the ceremony.



Loxley Public Company Limited and ASM Security Management Co., Ltd. hosted celebrations for the “**Loxley Sports Heroes**” Para Sports Team for their achievements in the 9th ASEAN Para Games 2017 in Malaysia.



Loxley Public Company Limited welcomed H.E. Ambassador Glin T. Davis, the United States Ambassador to Thailand on his visit to the company for an exchange of views with Loxley Management on business opportunities.



Loxley Orbit Pcl under Loxley affiliation signed an agreement with Money Table Plc to jointly develop an online lending platform and provide financial facilities as part of welfare packages for its personnel to efficiently facilitate their loan transactions with speed, safety and proper risk management.





Loxley Public Company Limited and the Hindalco Group from India jointly held an Exhibition on Hindalco products and products from Loxley Pcl's Chemical Products Group in the **"ASEAN Ceramics 2017"** Fair at BITEC Convention Centre in Bangna.



Loxley Public Company Limited handed over the **"Phuket Smart Bus"** master model under the Mercedes Benz brand to Phuket Pattana Muang Pcl for its trial run to provide services to tourists as a part of creative business movement under the **"Phuket Smart City"** Project."



Loxley Public Company Limited signed an agreement with the Department of Irrigation in the Project to set up a Smart Water Management Operating Centre which will set up a database system to follow-up on water conditions and provide forecasts for use in the decision-making process over water management.



Loxley Trading Company Limited under Loxley affiliation signed the agreement to become a business ally with Nutridor Ltd., producer of **"Abevia"** beverages which officially appoints Loxley Trading as its sole distributor in Thailand.



Loxley Public Company Limited handed the license plate for Thailand's first electric tuk-tuk which has been duly licensed by the Department of Land Transportation, to the Embassy of the Netherlands for its electric tuk-tuk from Loxley.



Loxley Simulation Technology Company Limited in the Loxley Group opened its **"Training Centre for Driving Truck Modules"** in its work as agent for the distribution, installation, development and research on truck-driving modules with simulated learning system.



Loxley Public Company Limited and Hong Kong Trade Development Centre or HKTDC signed the Memorandum of Agreement on Economic Cooperation to Promote Trade under the One Belt-One Road Strategy.



# FINANCIAL SUMMARY

## Loxley Public Compny Limited and Its Subsidiaries

Item	Unit : million Baht		
	2017	2016	2015
Total Revenues	15,928.91	13,855.46	11,660.07
Net Profit	50.49	172.42	209.92
Earning per share (Baht)	0.02	0.08	0.09
Total Assets	16,209.64	15,709.87	14,282.99
Total Liabilities	9,915.59	9,085.28	7,689.58
Paid-up shares	2,264.95	2,264.95	2,264.95
Share Par Value (Baht)	1.00	1.00	1.00
Shareholders' Equity	6,294.05	6,624.59	6,593.41
Dividend per share (Baht)	NA	0.07	0.05
Dividend to Net income Ratio (%)	NA	92%	54%

### Summary of 2017 operating results of Loxley Public Company Limited and its subsidiaries

- Assets :** Total assets as at 31 December 2017 amounted to Baht 16,209.64 million was higher than 2016 Baht 499.77 million or 3.18%
- Shareholders' Equity :** Shareholders' equity as at 31 December 2017 amounted to Baht 6,294.05 million was lower than 2016 Baht 330.54 million or 4.99%.
- Revenues :** Total revenues for 2017 amounted to Baht 15,928.91 million was higher than 2016 Baht 2,073.45 million or 14.96 % from the Baht 13,855.46 million.
- Net Profit :** In 2017 Loxley and its subsidiaries recorded a net profit of Baht 50.49 million was lower than 2016 Baht 121.93 million or 70.72 % from the Baht 172.42 million.

### Financial ratio

Financial ratio	2017	2016	2015
Net profit to total revenue	0.32%	1.24%	1.80%
Return on average equity *	0.81%	2.77%	3.42%
Return on average total assets	0.32%	1.15%	1.50%
Earning per share (Baht)	0.02	0.08	0.09
Net book value per share (Baht) *	2.74	2.78	2.72

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



# REVENUE STRUCTURE

Company revenue structure presented by business segment.

Compared information for the same period ended 2017, 2016 and 2015.

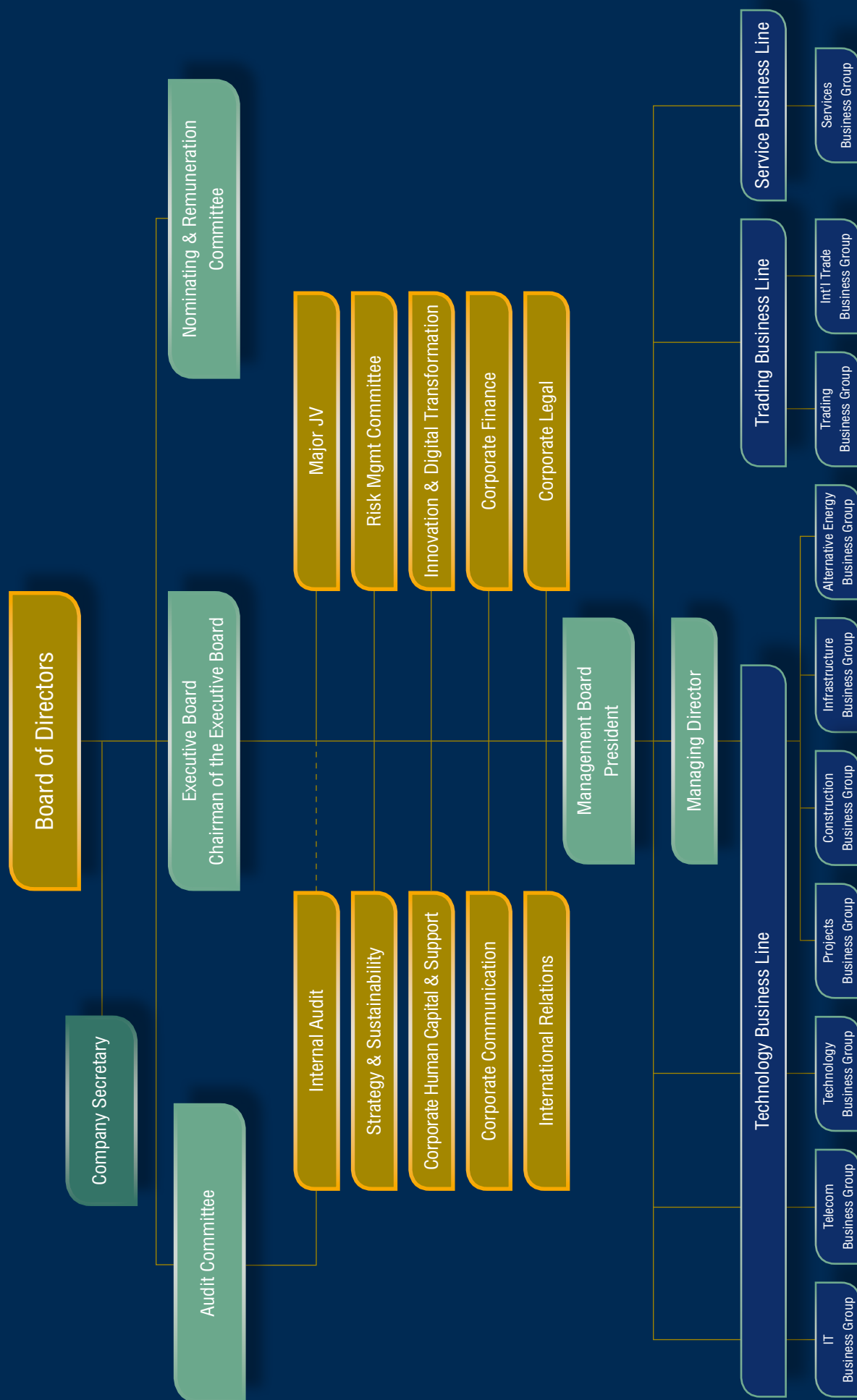
## Loxley Public Company Limited and Subsidiaries

Unit : million Baht

Revenue Structure	2017		2016		2015	
	Total Revenue	%	Total Revenue	%	Total Revenue	%
1. Technology	10,750	67.49	9,013	65.05	7,021	60.21
2. Trading	3,798	23.84	3,984	28.75	3,868	33.17
3. Services	1,745	10.95	1,374	9.92	1,130	9.69
<b>Total Revenue</b>	<b>16,293</b>	<b>102.28</b>	<b>14,371</b>	<b>103.72</b>	<b>12,019</b>	<b>103.08</b>
<u>Less</u> Related Transaction	(579)	(3.63)	(582)	(4.20)	(428)	(3.67)
<u>Add</u> Unallocated Other Revenue	215	1.35	66	0.48	69	0.59
<b>Grand Total Revenue</b>	<b>15,929</b>	<b>100.00</b>	<b>13,855</b>	<b>100.00</b>	<b>11,660</b>	<b>100.00</b>



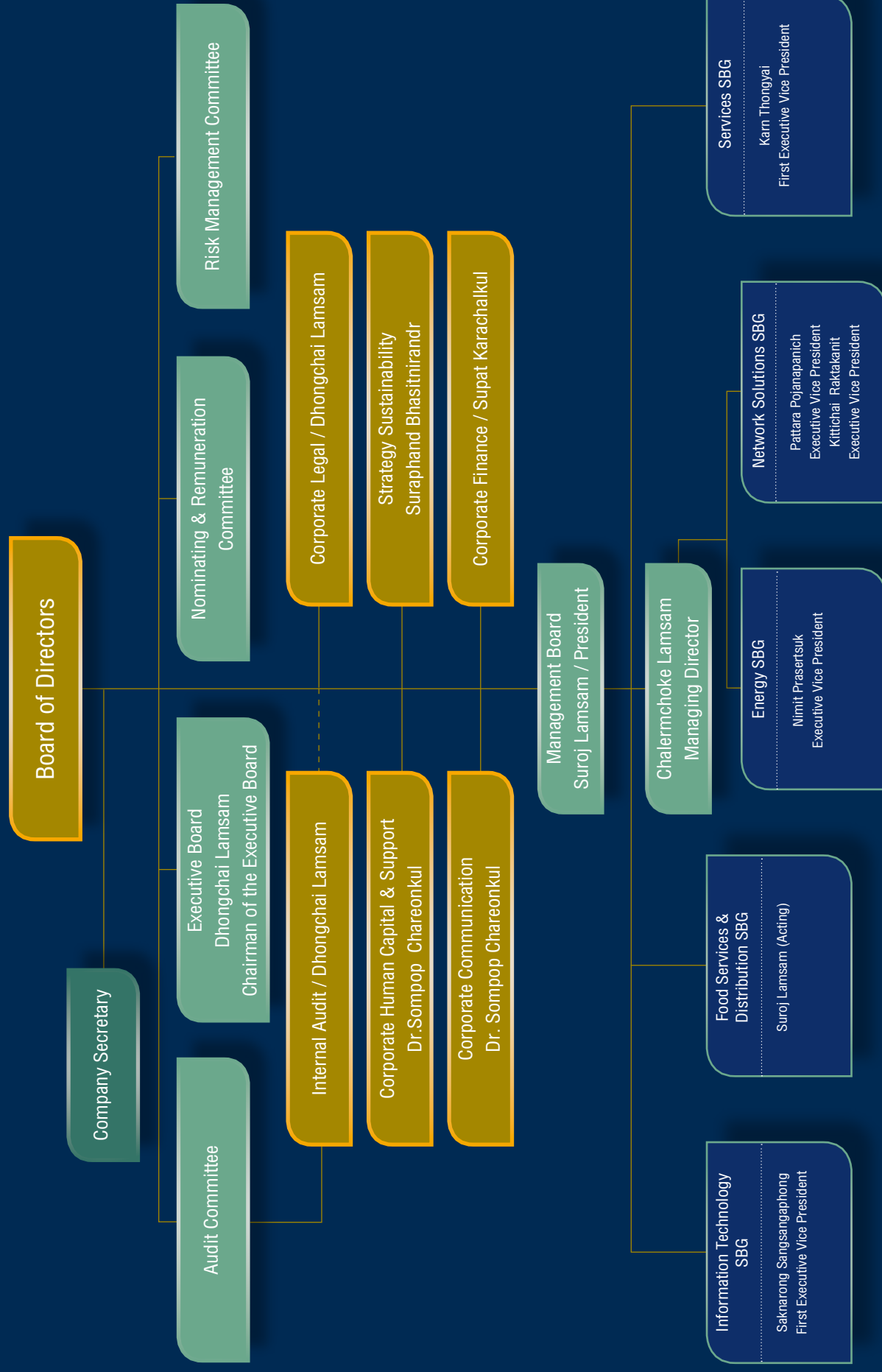
## ORGANIZATION STRUCTURE AS OF 31 DECEMBER 2017





# NEW ORGANIZATION STRUCTURE 2018

(Effective 1/1/2018)





## BOARD OF DIRECTORS



Mr. Dhongchai Lamsam  
Chairman



Mr. Suebtrakul Soonthornthum  
Vice Chairman



Dr. Harit Sutabutr  
Independent Director



Dr. Supavud Saicheua  
Independent Director



Mr. Charoon Chinalai  
Independent Director



Mr. Joti Bhokavanij  
Independent Director



General Vichit Yathip  
Independent Director



Professor Rawat Chamchalerm  
Independent Director



Dr. Jingjai Hanchanlash  
Director

Remarks: The Company's Board structure was changed as follows:

1. Mr. Pairote Lamsam, former Board Chairman, passed away on 17 January 2018.
2. Mr. Sukit Wanglee has resigned from his position as Vice Chairman of the Board and has been appointed Honorary Chairman, with effect from 24 February 2018.
3. Mr. Dhongchai Lamsam has been appointed as Board Chairman, with effect from 24 February 2018.





Mr. Poomchai Lamsam  
Director



Mr. Vasant Chatikavanij  
Director



Mr. Suraphand Bhasitnirand  
Director



Dr. Sompop Chareonkul  
Director



Mr. Suroj Lamsam  
President



Mr. Chalermchoke Lamsam  
Managing Director



Mr. Krisada Lamsam  
Director



Mr. Petch Wanglee  
Director

4. Mr. Sueptrakul Soonthornthum has been appointed as Vice Chairman of the Board, with effect from 24 February 2018.
5. Mr. Krisada Lamsam has been appointed as a director, with effect from 24 February 2018.
6. Mr. Petch Wanglee has been appointed as a director, with effect from 24 February 2018.



## EXECUTIVE BOARD



Mr. Dhongchai Lamsam  
Chairman of the Executive Board



Mr. Suebtrakul Soonthornthum  
Vice Chairman of the Executive Board



Dr. Jingjai Hanchanlash  
Vice Chairman of the Executive Board



Mr. Vasant Chatikavanij  
Vice Chairman of the Executive Board



Mr. Suraphand Bhasitnirandr  
Vice Chairman of the Executive Board



Dr. Sompop Chareonkul  
Vice Chairman of the Executive Board





Mr. Suroj Lamsam  
President



Mr. Chalermchoke Lamsam  
Managing Director



Mr. Supat Karachalkul  
First Executive Vice President  
Chief Financial Officer



Mrs. Kosoom Sinphurmsukskul  
First Executive Vice President



Mr. Saknarong Saengsangapong  
First Executive Vice President



Mr. Karn Thongyai  
First Executive Vice President



## MANAGEMENT BOARD



Mr. Suroj Lamsam  
President



Mr. Chalermchoke Lamsam  
Managing Director



Mr. Supat Karachalkul  
First Executive Vice President  
Chief Financial Officer



Mr. Saknarong Saengsangapong  
First Executive Vice President



Mr. Karn Thongyai  
First Executive Vice President





Mr. Pattara Pojanapanich  
Executive Vice President



Mr. Nimit Prasertsuk  
Executive Vice President



Mr. Kittichai Raktakanit  
Executive Vice President



Mr. Nattapon Dejvitak  
Executive Vice President



Dr. Dawarit Tansuphasiri  
Executive Vice President



# LIST OF DEPARTMENT MANAGEMENT (YEAR 2017)


Senior Vice President			
Mrs. Suganya Ungpakorn	Office of the President	Miss Jinda Vanichvatanyou	Sales & Marketing Chemical
Mr. Anusone Ruthaiyanont	Network Solutions SBG's Admin 2	Miss Pornthip Piyarat	Human Resources
Mr. Wachara Asvanuwatra	Chemical Group	Mr. Veerayut Kosirinond	Inter Trade
Mr. Narisorn Manaspiti	Office of the Chairman	Miss Wasana Wetchakornpati Wong	Service SBG's Admin
Mr. Manit Lohatepanont	Strategic And Risk Management	Mr. Tinakorn Panyathanakorn	Rail Engineer
Mr. Piboon Piboontum	Alternative Energy		
Mr. Komson Rungruengsorakarn	Corporate Communication Administration	Assistant Vice President	
Miss Patra Laohapolwatana	International Legal Affairs	Cdr. Nijkasem Panyarachun	Office of the President
Mr. Sukrasit Haritaworn	Office of the Chairman	Mr. Voranun Utanjid	Corporate Social Responsibility
Mr. Pichai Mooputtarak	Legal & Securities	Mrs. Chutintorn Thangsupanich	Special Project
Mrs. Kruarmas Puwattananavich	Finance & Credit	Miss Suteera Chamlongsupalak	OPPY
Mr. Pises Dissawat	Environmental Business	Mr. Pichiean Trangpanich	Sales & Marketing Chemical
Mr. Tim Tak Timothy Wong	Office of the Managing Director	Mr. Suebsakul Vacharinwong	Power Systems
Mrs. Suphattra Busarakul	Printing & Advanced Technology	Mr. Chirakitti Navisthira	Environmental Business
Mr. Yuthaporn Chitakasem	Business Development	Mr. Yuthana Meechom	Power Systems
Mr. Boonsiri Wattananarajanikorn	IT Business	Miss Wannee Boontaganon	Corporate Finance & Consolidated Account
		Mr. Pongsak Bureetan	Accounting Management
		Mr. Pisut Sinarpha	Office of the Chairman
Vice President		Miss Rangsinee Thummasawatdi	Control Systems
Mr. Wirote Limpanawattanukul	Rail Engineer	Lt. Jg. Thanakorn Yodchan	Online Lottery
Mr. Suton Rakprathed	Broadcast	Miss Napaporn Mettagitto	Inter Trade
Mr. Sanit Ratanavadi	Office of the President	Mr. Wasan Wanich	Business Intelligence
Mr. Anucha Dungsirisangthong	Marketing Services & Logistic	Mr. Keattisak Iamsri	International Trade Business Group's Admin
Miss Sudkanueng Malithong	Office of the Chairman	Miss Yawalak Peukiang	Strategic Investment And Investor Relations
Mrs. Wanida Sangkaew	IT And Multimedia Trading	Miss Wallada Tangkulanupun	Administration & General Affairs
Mr. Kreangsak Chana	Construction Materials	Mr. Supasith Ithiponpak	Construction Materials
Mr. Taweevat Tachakumtornkit	Environmental Business	Mr. Pairatch Wiseadpan	Alternative Energy
Mrs. Preeyanuch Paiboonsithiwong	Internal Audit	Mr. Surapoom Jitpaisarnsook	Power Systems
Miss Malinee Sahavongjaroen	Accounting Management	Mr. Valentorn Singkarlvanich	Business Development
Mr. Patiyut Chantrakantanond	Control Systems	Mr. Ammarin Daranpob (Ph.d)	Office of Vice Chairman
Mrs. Pensiri Sowanwanichakul	IT Business	Miss Supaporn Kusolsat	Corporate Finance & Consolidated Account
Mr. Boonlert Jaimun	Strategic Investment and Investor Relations	Mr. Bongkarn Jiraboonsri	Office of the President
Mrs. Thanida Greechurt	Office of Vice Chairman	Mrs. Hathairat Somsiripat	Project Business Group's Admin
Mr. Pratyia Indranupakorn	Business Development	Miss Charatsang Wonwien	Corporate Communication Administration
Mr. Dechapon Boonpogkrong	Educational Technology Business	Mr. Charaspong Lamsam	Office of the President
Mr. Petros Rigas	Office of the Chairman	Mr. Paitoon Asawateeranunt	Control Systems
Mr. Panu Khongthon	Power Infra	Mr. Veera Amornmanas	ICT Business Group's Admin
Mr. Werasak Pattarapakorn	Transportation Systems	Miss Patteera Lapassethsiri	Service SBG's Admin



## DIRECTORS IN THE SUBSIDIARIES DIRECTLY OWNED BY LOXLEY

as of 31 December 2017

### LOXBIT PLC

	1. Mr. Suroj Lamsam
	2. Mr. Chalermchoke Lamsam
	4. Mr. Supat Karachalkul
	4. Mr. Tim Tak Timothy Wong
	5. Mr. Saknarong Saengsangapong (MD)
	6. Mr. Ali Bin Hussan Aljunied
	7. Mrs. Vongthip Chumpani
	8. Mrs. Vanida Viriyatharangkunr
	9. Mr. Ek-Khun Boonpiti

### LOXLEY PROPERTY DEVELOPMENT CO., LTD.

	1. Mr. Pairote Lamsam
	2. Mr. Dhongchai Lamsam
	3. Mr. Suetrakul Soonthornthum
	4. Mr. Suraphand Bhasitnirandr
	5. Mr. Suroj Lamsam (MD)
	6. Mr. Chalermchoke Lamsam
	7. Mrs. Suganya Ungpakorn
	8. Mr. Vichaya Chatikavanij
	9. Mr. Supat Karachalkul
	10. Mr. Kittichai Raktakanit


### 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

### LOXLEY TRADING CO., LTD.

	1. Mr. Pairote Lamsam
	2. Mr. Dhongchai Lamsam
	3. Mr. Suetrakul Soonthornthum
	4. Dr. Sompop Chareonkul
	5. Mr. Suraphand Bhasitnirandr
	6. Mr. Petch Wanglee
	7. Mr. Suroj Lamsam
	8. Mr. Adul Premprasert
	9. Mrs. Kosoom Sinphurmsukskul (MD)

### LOXLEY ORBIT PLC

	1. Mr. Vasant Chatikavanij
	2. Mrs. Sirinan Lamsam (MD)
	3. Dr. Dawarit Tansuphasiri
	4. Miss Duangmanee Boonpong
	5. Mr. Aisoon Pichatejamruscheep


### L FOOD SOLUTIONS CO., LTD.

	1. Mr. Dhongchai Lamsam
	2. Mr. Suraphand Bhasitnirandr
	3. Mr. Suroj Lamsam (MD)
	4. Mr. Chalermchoke Lamsam
	5. Mrs. Kosoom Sinphurmsukskul
	6. Dr. Dawarit Tansuphasiri
	7. Mr. Mani Lohatepanont
	8. Mr. Charaspong Lamsam
	9. Mr. Chalermchai Piyavee

### ASM SECURITY MANAGEMENT CO., LTD.

	1. Mr. Suroj Lamsam
	2. Mr. Chalermchoke Lamsam
	3. Dr. Sompop Chareonkul
	4. Am. Adireg Sastararuchi
	5. Mr. Karn Thongyai (MD)
	6. Mr. Supat Karachalkul
	7. Dr. Dawarit Tansuphasiri
	8. Ms. Wasana Wetchakornpatiwigong
	9. Ms. Patteera Lapasethsiri
	10. Mr. Ruij Sangkawibha

### LOXLEY POWER SYSTEM CO., LTD.

	1. Mr. Chalermchoke Lamsam
	2. Mr. Nimit Prasertsuk (MD)
	3. Mr. Boonlert Jaimun
	4. Mrs. Hathairat Somsiripat

### LOXLEY BUSSINESS INNOVATION CO., LTD. (FORMERLY L GREEN SOLUTIONS CO., LTD.)

	1. Mr. Thongyai Chanthanawan (MD)
	2. Dr. Dawarit Tansuphasiri
	3. Miss Yawalak Peukliang
	4. Mr. Tim Tak Timothy Wong
	5. Mr. Boontham Pasutha



## 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 Sangkaew

## DATA MINING CO., LTD.



1. Mr. Suroj Lamsam (MD)
2. Miss Wannee Bootaganon
3. Mrs. Salisa Chareonsuk
4. Miss Wilawan Srirojnukul
5. Mr. Chamnan Jirasak

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



1. Mr. Suraphand Bhasitnirandr
2. Mr. Chalermchoke Lamsam
3. Mr. Nattapon Dejvitak
4. Mrs. Kosoom Sinphurmsukskul
5. Mr. Suroj Lamsam
6. Mr. Supat Karachalkul
7. Mr. Veerayut Kosirinond (GM)

## SOCIETE COMMERCIAL LAO CO., LTD.



1. Dr. Jingjai Hanchanlash
2. Mr. Suraphand Bhasitnirandr
3. Mr. Oudet Souvannavong (MD)
4. Ms. Vanida Souvannavong
5. Mr. Sounthone Phommachakr
6. Mrs. Sengmany Viyakhet

## GREEN NATURAL PRODUCT CO., LTD.



1. Mr. Dhongchai Lamsam
2. Mr. Suraphand Bhasitnirandr
3. Mr. Chalermchoke Lamsam
4. Mr. Wachra Asvanuwatra (MD)
5. Mr. Tanu Sirisaowalak

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



1. Mr. Suraphand Bhasitnirandr
2. Mr. Chalermchoke Lamsam
3. Mr. Kittichai Raktakanit (MD)
4. Miss Pornthip Piyarat
5. Mr. Boonlert Jaimun
6. Mr. Kreangsak Chana

## LOXLEY ENGINEERING CO., LTD.



1. Mr. Sith Chokpipatpaiboon (MD)
2. Mr. Boonsiri Wattanarajanikorn
3. Mr. Yuthaporn Chitakasem
4. Mr. Kittichai Raktakanit

## LEGO 99 CO., LTD. (FORMERLY L SOLAR 2 CO., LTD.)



1. Gen. Nipon Siriporn
2. Mr. Chalermchoke Lamsam
3. Mr. Piboon Pibootum (MD)
4. Mr. Suntad Yingyong
5. Mr. Udomsak Kaewsiri

## L SOLAR 3 CO., LTD.



1. Gen. Nipon Siriporn
2. Mr. Chalermchoke Lamsam
3. Mr. Piboon Pibootum (MD)
4. Miss. Teeraya Kritsadapong

## LB EV CO., LTD.



1. Mr. Chalermchoke Lamsam
2. Dr. Kosol Surakomol (MD)
3. Mr. Praty Indranupakorn
4. Mr. Liu Xue Liang
5. Mr. Zhang Jia

## LOXLEY SYSTEM INTEGRATOR CO., LTD.



1. Mr. Chalermchoke Lamsam
2. Mr. Kittichai Raktakanit
3. Mr. Boonsiri Wattanarajanikorn (MD)
4. Mr. Tim Tak Timothy Wong
5. Mr. Bongkarn Jiraboonsri
6. Mr. Nimit Prasertsuk
7. Mrs. Kruarmas Puwattananich

## LOXLEY AUTOMOTIVE CO., LTD.



1. Mr. Chalermchoke Lamsam
2. Dr. Kosol Surakomol (MD)
3. Mr. Praty Indranupakorn

## LOXLEY ENVIRONMENTAL DYNAMICS CO., LTD.



1. Mr. Vasant Chatikavanij
2. Mr. Athur Graham Storah (MD)
3. Mr. Tim Tak Timothy Wong
4. Mr. Boonlert Jaimun



## IT BUSINESS GROUP



### Loxbit Public Company Limited

#### • Scope of Products or Services

The Company conducts operations in the area of IT and automated self-service machines which enable customers to complete the entire financial transactions on their own and/or via electronic media. It also provides work system services on a fully comprehensive basis for the entire system. Such as 3 in1 machine (Deposit/Dispense/Passbook Update), Teller cash recycle machine (TCR), Automatic answering system (IVR), Pin Pads, Electronic disbursement machine with counter-hacking and counterfeiting devices (EDC), inter-bank clearing house system with exchanges of visual displays of cheques in lieu of actual cheque presentation (ICAS) and risk management database inclusive of reports for banks and financial institutions which meet the new standards for international reporting by providing services covering procurement, installation and maintenance.

From 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 service to customers.

#### • Marketing and Competition

Pursuant to the government's Digital Economy Policy and more investments in private sector due to such policy, these 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 requirement 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 agencies 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. The Company can maintain sales volume continuously by focusing on providing standard choices and services in compatible price.

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 innovative technology requirements. Bringing quality products and services which are appropriate by our customers and continue to gain the trust of customers.



### • Ongoing Projects and Future

The Company plans to install Electronic Data Capture (EDC) machines to replace those which are non-compatible with the new standards prescribed by VISA, Master Card, CUP and Thai Standard Chip Card of the Bank of Thailand and to install Pin Pads, Automatic Disbursement machines, ATMs, ATM plus book updating systems for various banks and financial institutions.

As for future projects, targets are set by the Company to provide services in areas of new models for automatic service machines, new EDC models, provision of Payment Gateway services, Project of Risks Management, finances, counter-hacking system including memory systems and identification of service users or customers for credit and debit 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

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 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 and 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

Several projects undertaken by the Company are in the process of delivery such as projects for the Excise Department, Comptroller-General's Department, Revenue Department, Legal Execution Department, Office of the Finance Permanent Secretary, Department of Land Transport, and so forth.



As far as future projects are concerned, the Company anticipates to continue undertaking large-scale projects for both public and private sectors comprising several for which bids will be submitted in tenders such as the Excise Department's Project to check operations of the Solvent Project, Project for enhancement of the e-GP system's efficacy to meet the requirements of the new Act governing state procurement by the Controller-General's Department, a fully-comprehensive project and enhancement of the efficiency for receipt and disbursements of payments by public sector, the Revenue Department's project to develop systems to screen data concerning electronic payments, the Revenue Department's project to compile database and analyze data of electronic payments and so forth.

### 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, Cyber Security, 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 infrastructure, Cyber Security and Computer systems which are highly demanded by those customers both in government and private enterprises ranking 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 world class quality products such as Cisco System Inc, Palo Alto Networks, F5 Network, Blue Coat Systems, 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 aims to expand its business to new trend market as Next Generation technology e.g. SDN, NFV and Virtualization, IOT Solution and Big data which are most demanded in today's market. The company has plan to expand service business with Expert Engineering Resource such as analyzing problem's which are caused from Network, Cyber Security and data traffic monitoring and management.

### Mobile Innovation Company Limited

- **Functions and Products or Services Procurement**

Mobile Innovation Company Limited (MI) 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 online Digital Tachograph Technology and wireless communication, mobile networks, GPS and Digital Vector Map technology with 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.

MI has also imported other GPS devices from Europe and China 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.

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 19 countries and region, Thailand, Singapore, Malaysia, Indonesia, Vietnam, Laos, Cambodia, The Philippines, Australia, South Korea, China (including Hong Kong), Taiwan, India, Japan, Myanmar, New Zealand, UK, Germany and USA.

MI has launched the latest online digital tachograph tracking technology from Japan which integrated the drive recorder feature with the image processing camera to the LTE digital tachograph and the wearable sensor 'FEELytm' (drowsiness detection device) for the road safety purpose. Thus, fleet manager knows what happens during the vehicle running, such as sudden deceleration, change the lane/path without giving signal or driver feels asleep, etc. This is to cope with Government's

regulation on road safety. Apart from this, the company has started to import the Smart Hub with wireless sensor, Nano Multi-sensor, which is the essence of IoT with the capabilities of not only tracking but also sensing such as temperature, humidity, impact/free fall, light, etc.

MI has two wholly owned subsidiaries in neighboring countries, Mobile Innovation (Vietnam) Co., Ltd. in Hanoi City and P.T. Mobile Innovation Indonesia Jakarta, Republic of Indonesia and selling partner in The Republic of Union of Myanmar.

#### • Market and Competition

MI 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

MI will focus on advance IoT solution and upgrading its various technologies to achieve better operational efficiency which should guarantee compliance with the strictest cold chain regulations and effectively meets the demands and expectations of market in Thailand and Asia Pacific such as precision agriculture etc. MI also invests on procuring Application that helps to organize and share notes, pictures with coworkers and can automatically syncs across many devices.





## TELECOM BUSINESS GROUP



### Loxley Wireless Public Company Limited

#### • Scope of Products or Services

Loxley Wireless Public Company Limited is a subsidiary of Loxley Public Company Limited which conducts Category 3 Telecommunication Operations by providing high-speed database communications with the use of wireless technology such as Internet Broadband, Voice over IP, Video Surveillance (CCTV), Virtual Private Network (VPN) with focus on corporate clientele and customers with their own networks.

Other than the above Category 3 telecommunication work, Loxley Wireless also provides maintenance services for MITTEL private automatic branch exchanges on an annual or per use basis depending on the size of each corporate customer.

#### • Marketing and Competition

Various transactions conducted on equipment with modern and updated technologies, particularly Smart Devices, are now on the rise such that there is an increased demand for high-speed telecommunication services.

However, voice communications with the use of private automatic branch exchange within a client's organization or company are still maintained side-by-side such trends in each organization. Corporate clientele's behavior in the continued use of these services, therefore, vouch for the continuation of these two business lines.

#### • Major Changes and Developments

Loxley Wireless is preparing to modify its work into that of the Network Service Provider. Activities undertaken so far range from its application for additional Telecommunications License as the Dark Fiber Network Service Provider, to Service Provider for International private leased circuit (IPLC) via both Terrestrial & Submarine Networks and Service Provider for the Internet Gateway (IIG & NIX).

#### • Future Plans

Project to lay Dark Fiber Network along railway lines for a distance of 2,869 kms under a lease term of 30 years signed with the State Railway of Thailand on June 27, 2015. Site-surveys, drawings/designs, preparation of equipment and installation premises have been completed and it is now in the process of preparing operating plans in line with the additional Telecommunications License for which pertinent preparations in support thereof had been made.



## TECHNOLOGY BUSINESS GROUP



### Printing and Advanced Technology Department

#### • Scope of Products or Services

The Printing and Advanced Technology Department is an importer of printing machinery comprising presses, pre-press and post-press systems, consumables used in the printing process, connectivity with relevant external systems, system design and advisory services which are provided on a fully comprehensive basis. It is the distributor of high-speed variable printers in both Ink-Jet and Toner forms as well as providing services for the maintenance and modifications of various printers and printing equipment.

#### • Marketing and Competition

In 2017, the Department handled adjustments on the government lotteries from the price of Baht 40 per pair to Baht 80 for a single lottery as well as handling modifications of the entire relevant systems such as SAP and sale and price-awarding systems. Other than this assignment, it installed digital toner color printers and pre-press equipment for the Metropolitan Electricity Authority too.

The Department has initiated focus on Security Printing which has been growing rapidly and is of high value both in the public and private sectors.

#### • Future Plans

In 2018, other than works to be delivered to the Tobacco Monopoly of Thailand, Ministry of Finance's Project to Install Rolling Printing Equipment for its printing house, the Department also plans to participate in tenders called by various government authorities, state enterprises and to expand its base more into the private sector as well.

### Education Technology Business Department

#### • Scope of Products and Services

With offices operating both in the central and regional areas, the Department carries out its businesses, as follows:

1. It distributes high-quality laboratory equipment which are either imported or local products, to vocational colleges in the public and private sectors throughout the country as well as carrying out works for their installation, maintenance and repairs. The Department is a distributor of products such as LD-Didactic and Lucas, etc.

Although most of its products are imported, the Department nevertheless has business allies which are major distributors of laboratory products in the country to help with the supply of products, keep stock inventories and make on-the-spot delivery which enables the Department to manage its businesses without the burden of incurring increased costs on product importation and inventory management.



2. The Department distributes pollution-free furnaces to burn garbage in response to the government's policy on garbage disposal. Pollution-free garbage furnaces distributed by the Company has received the Outstanding Innovation Award from the Office of the National Innovation (public organization), both for the standards of the furnace's exhaust fumes and for saving power consumption. Its main target customers are local administration entities and the Livestock Department.
3. Supplying and installing groundwater system as well as groundwater improvement system with the use of high-quality products for the Department of Groundwater Resources.

- **Marketing and Competition**

Products distributed by the Department are considered necessities for the education market, local administrative offices and local groundwater offices for use in line with their budgetary allocations. There is, therefore, a great number of competitors in this business particularly small-scale operators which concentrate on offering low-priced products with ensuing functioning problems. The Department's strong point, however, lies in its ability to build up customers' trust and confidence as the result of the Company's stability, good quality products, good after-sale services and appropriate pricing to ensure highest customer satisfaction.

- **Future Plans**

The Department has a policy to source and offer new products with high quality and affordable price for sale 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 (robotic and automatic arm system) as teaching equipment for the Department of Vocational Education as well as solar-power groundwater system projects.

## Online Lottery Department

- **Scope of Products or Services**

Online Lottery Department performs services for LOXLEY GTECH Technology Co., Ltd. (LGT), a lottery games system provider for Government Lottery Office (GLO) under the Lottery Games System Services Contract which LGT entered into with GLO on 29 July 2005. Services performed by the Department include preparation for installation of lottery games system, communications network and lottery terminals as well as providing lottery games system to lottery sale agents. The Department completed the installation and training since 2006.

Up until now, GLO is not able to grant approval for the commencement of lottery commercial launch. However, the Department has to maintain the system in a condition so as to be prepared should GLO confirm to proceed with the commercial launch.

## Loxley GTECH Technology Co., Ltd.

- **Scope of Products or Services**

Loxley GTECH Technology Co., Ltd. (LGT) is a joint venture between Loxley Public Company Limited group and IGT Global Solutions Corporation (former name, GTECH Corporation) group and engages in the business of providing lottery games system services to LGT pursuant to Lottery Games System Services Contract. Under the Contract, LGT shall, under GLO's supervision, design, supply, install, provide online lottery games service system and install lottery terminals to sale agents authorized by GLO. The system consists of Central Lottery Games System Data Center (primary and back-up center) and communication network system.

Lottery games system is provided by IGT Global, the world's leading full-service lottery games system provider. IGT Global has expertise in designing, installing, providing computer system support and complex communication network to global leading lottery organizations. IGT Global has more than 100 customers on 6 continents.



## 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.

## Mobile Services on 3G MVNO

### • 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".

### • Marketing and Competition

As a whole, the telecommunications and IT business is still expanding, with rapidly growing usage of data and internet connections. With customer behavior trending towards non-voice services and other value added services such as Mobile Payment and Mobile Entertainment being linked to smart phones, the market situation in 2017 has been very competitive. Competition for market share is particularly heavy in the price area, and bringing out new promotions to attract customers which directly affect the MVNO business. In addition, the telecommunications and mobile networks industries must also adapt to the growth of other digital trends, government policies, national safety and security policies. These factors provide a challenge for the company as we focus on maintaining market share and adjusting business strategy for better effectiveness in operations.

### • Social Responsibilities

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



## PROJECT BUSINESS GROUP



### Power Systems Department

- **Scope of Products or Services**

The Department is engaged in businesses related to the power systems for both public and private sectors by providing services in the form of Engineering, Procurement and Construction (EPC). Work under its mandate span over a wide range of activities such as project management, design, product procurement and installation, civil and testing so as to meet customers' requirements. Examples of activities include construction and renovation of power substations, construction of transmission lines and distribution line sales including aerial and underground cables, sourcing and installation of power substation control system, Supervisory Control and Data Acquisition (SCADA), procurement and installation of Smart Grid Electricity System, electricity system for manufacturing plants, high-rise buildings, public utilities system and general electricity systems services including maintenance, testing 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.



During the course of last year, the completed works by the Department was the 500 kV Tha Takoe Electricity Substation Project for the Electricity Generating Authority of Thailand which was considered a major opportunity for the Department to increase its potential in overall work engagements as the 500 kV system is a high-pressure transmission system used both in Thailand in countries in the Indochina Region. Consequently, the Department is in a position to be able to accept works covering the entire region as above stated.

The Department is ready, at the same time, to accept works related to the Smart Grid system which is of great interest to the 3 electricity generating authorities which will be expediting investments to increase the efficiency in managing the electricity system on a fully comprehensive basis starting with the electricity generating system, management of transmission lines and substations and other services such as Energy Storage, Micro Grid, Advance Metering Infrastructure (AMD), and so forth.

#### • Ongoing Projects and Future Plans

Ongoing projects to be delivered to clients are as follows:

##### For the Provincial Electricity Authority:

- 1) Construction of two 115-22 kV Gas Insulated Switchgear substations
- 2) Additional installation of one 115 kV Gas Insulated Switchgear
- 3) Replacement of protection relay equipment
- 4) Construction of one 115 kV Antenna transmission

##### For the Metropolitan Electricity Authority:

- 1) Construction of three 115-22 kV Gas Insulated Switchgear substations
- 2) Procurement of Control Container

Last year, the Department was awarded contracts to construct substations for the government's electricity authorities. It also sought the opportunity to enter bids for construction of electricity substations with new technologies such as Modula Substations, Containerized Substations, etc. However, the Department is still

focused in 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.

Furthermore, the Department continues with interest to expand the market to neighboring countries which have started to show signs of interest in making investment in energy generating activities and as a response to the government's policy concerning ASEAN community.

### Loxley Power Systems Co., Ltd.

#### • Scope of Products or Services

Loxley Power Systems Co., Ltd. was established in 2015 as an affiliate of Loxley Public Company Limited to conduct operations in the area of design, construction, installation and testing of electricity power system with the capabilities to provide a diversity of services to its customers such as construction of transmission cables, construction of high voltage electricity substations, construction of factories and high-rise buildings. In 2017, the Company had a total of 8 ongoing projects for the Electricity Generating Authority of Thailand, the Provincial Electricity Authority, the Metropolitan Electricity Authority, and companies in the private sector.

#### • Marketing and Competition

The government has, throughout, been formulating policies to invest in the energy sector on a continuous basis as set out in the National Economic and Social Development Plan as well as the Plan to Develop National Electricity Generating Capacities. Construction of high-voltage substations is considered a component of works in the energy sector as it is a system which will distribute electricity from its source of generation to electricity consumers. The Company was, therefore, established to support work of construction for the said high-voltage substations.



### • Ongoing Projects and Future Plans

Ongoing projects to be delivered to clients are as follows:

#### For the Provincial Electricity Authority:

- 1) Construction of one 115-22 KV Gas Insulated Switchgear substation
- 2) Additional installation of one 115 kV Gas Insulated Switchgear
- 3) Construction of one 115 kV aboveground transmission line

#### For the Metropolitan Electricity Authority:

- 1) Construction of two 115-22 KV Gas Insulated Switchgear substations
- 2) Procurement of Control Container

#### For the Electricity Generating Authority of Thailand:

- 1) Construction of two 115 kV aboveground transmission lines

In 2017, the Company continuously participated in submitting tenders for works to construct substations and transmission cables for the 3 Electricity Authorities to build up the opportunity for the Company to become a direct contractor with electricity authorities. This will not only boost its sales turnover but will also reinforce its construction works at the same time such that its reputation will be established and the Company well-accepted within the nearest future possible.

## Power Infra Department

### • Scope of Products or Services

The Department 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 Department contacts prospects directly and offers quality products and services -with its high technical skilled personnel- at reasonable prices. This has granted the Department additional advantages over its competitors.

### • On-going Projects and Future Plans

The Department has projects under construction which are

- Supply and Construction of 115 kV Transmission Line 4 Projects 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 Department 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.

## 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 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 2017 include SCADA Maintenance project for Trans Thai-Malaysia Co., Ltd., Gas Pipeline in Songkla Province which is completed in December 2017. EGAT's Automatic Voltage Regulator (AVR) Revamp Project at Nam Pong Combine Cycle Power Plant Unit 2 which schedule to finish in



December 2017. Telemetry Revamp and Maintenance of various Basins for Royal Irrigation Department (RID) which schedule started to continue hand over from August 2017 till March 2018, Information System of Smart Water Operation Center which was completed in October 2017 and also Management Information System for Large and Medium Dams and providing the communication links from Dams to Head Quarter Project which is ongoing and expected to finish by April 2018.

Future plan, the department will continue the current customers. Central Command Center for Water Level Monitoring and Flood Forecasting and Telemetry Revamp and Maintenance projects for Royal Irrigation Department (RID). Distributed Control System and Auxiliary System Revamp Nam Pong Power Plant, Revamp the Communication Projects, Trans Thai-Malaysia Co., Ltd.

In parallel, we are exploring to expand our opportunity in SCADA applications in other industries, such as at Metropolitan Water Authority, Royal Rain Department and Private Sectors.

## 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. 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 recurring/long term income based projects, in particularly in water supply system, water resource management wastewater treatment/reuse for industrial estate, and waste to energy, including: concession projects of water supply systems, rental of mobile water supply system, operation and maintenance of water & wastewater treatment system, leakage survey on main and branch water pipes, Concession projects of water supply system in Lao PDR. and neighboring countries.





## CONSTRUCTION BUSINESS GROUP



### Construction Materials Group

#### • Scope of Products or Services

The Group functions from acquiring, marketing through servicing and installing the product regarding the construction sector in 5 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

- Elevator, Escalator under brand HYUNDAI from Korea

#### 3) Auto parking system (APS)

- Auto Parking System (APS) from Japan, Korea and China

#### 4) 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

#### 5) 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 SRT red line stations and depot, the MRTA green line north station and depot, SPP power plant and Double track railway project.

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.

## L-Elevator and Engineering Co., Ltd.

### • Scope of Products or Services

L-Elevator and Engineering is a provider of elevator and escalator services, parts and accessories for elevators and escalators from Hyundai, Republic of Korea. It also provides maintenance and repair services for elevators and escalators. The products and services of the Company can be classified into 6 categories as follows:

- 1) Spare Parts (Elevator and escalator parts and accessories.)
- 2) Service Contract
  - Include spare part
  - Exclude spare part
- 3) Installation and Wiring Test Run (Elevator and escalator)
- 4) Modernization and Overhaul
- 5) Service warranty
- 6) L-Lift

### • Marketing and Competition

The market of elevator and escalator services includes the sale of spare parts. The competition is quite high. There are many vendors in the market, including local brands such as Mitsubishi, Otis, etc.

## Loxley Property Development Co., Ltd.

### • Scope of Products or Services

Loxley Property Development Co., Ltd. carries out 2 main lines of businesses, namely:

1. **Investment and development of real property** The Company determined to invest and implement in land development especially in the land that was the Company's assets. Each piece of land that was owned by the Company as well as

those that were owned by the alliance of the Company had a high potential to be developed.

2. **Project management and construction** In addition to its investments in real estate development projects, the Company participated in tenders for a variety of management projects, both in the public and private sectors such as construction of residential building of National Housing Authority in many provinces, construction of groundwater systems, installation of system to improve qualities of potable water and so forth.

### • Marketing and Competition

The expansion in the public transportation system and the rail system, which was expected to be complete in 2020-2022, would result in a substantial change in land developing from the past. The competition in the market would still be dominated by a few major operators. This would be an opportunity and positive factor for the business of the Company as the Company determined to grow from the joint investment in the real estate development. Additionally, the Company had a potential and promptness to seek for the collaboration from the foreign alliance to develop a project together. This would be another way to enhance the competitive capability.

### • Operations in Preceding Year and Future Plans

2017 performance could still yield returns for the business on a continuous basis as the result of its joint investment in real estate development projects in several locations with good potential in the Bangkok Metropolitan areas. It also served as investment advisor and handled management of real property for landowners/co-investors in the alliance of the Company with focus on broadening its clientele-base and developing its services to keep more in line with international standards.

Furthermore, the Company won more tenders last year for works in the public sector. Works were effectively managed for on-scheduled delivery pursuant to its Plans and targets. It is anticipated that in 2017, the Company would be able to continue participating in government tenders as the result of action being expedited to push out the government's projects to develop the country's infrastructure and specific economic zones which would induce expansion of the real estate business in the overall.



Last but not least, The Company insisted on conducting its operations with full awareness of its social responsibilities by taking into account such factors as preservation of the environment, society, communities right through to complying with town-planning rules, operating requirements prescribed by the authorities as well as giving importance to safety, health, and other factors which are environmentally-friendly to its neighboring communities.

### Loxley System Integrator Co., Ltd.

- **Scope of Products or Services**

The Company is a major telecom supplier well-versed in areas of Telecommunications Engineering with high caliber personnel in the design of leading telecom equipment. It provides services to state enterprises as well as the public and private sectors for installation and maintenance of major networks throughout the country such as Fiber Optic, Backbone Land and Submarine Networks and Wireless Broadband.

- **Marketing and Competition**

Communications is considered to be one of the prime essentials with high financial value such that there is fierce competition among telecom operators in the market, particularly for cellular phones and the Internet. The Company, therefore, must have an insight into competitive situation at every stage right through to the final stage with the end-consumer. It must always be able to analyze its customers' requirements so as to be not only in the position to give advice and present new innovative ideas, but also to use its knowledge and expertise as well as updated/modern equipment as the heart of its dealing with such competition.

- **Future Projects**

Other than its main mission, the Company must also step into the product market or the Internet of Things as distributor of high-quality consumer products for which there is a big market where it expects to generate income on a stable and continuous basis.

### Loxley Engineering Co., Ltd.

- **Scope of Products or Services**

The Company is an expert in providing comprehensive telecommunication project management to meet the needs of customers, which are government agencies, state enterprises, and private sector. With almost 30 years of experience in telecommunication field and competent engineering team, the Company is well prepared to provide customers with telecommunication consulting, designs, site survey, procurement, installation, test & commissioning, maintenance, and after-sale services. The Company focuses on every detail of our customers as well as surrounding contexts; therefore, the Company is ready to effectively and efficiently render our customers with advanced telecommunication project services. In addition, the Company works closely and receives technical support from our world class business partners, including Alcatel-Lucent, Huawei, Nokia Siemens Networks and etc.

- **Marketing and Competition**

The Company is equipped with personnel and technology. We have experience in network deployment which will be trusted by our customers. It is important to understand the importance of competition at all levels to the end consumer. Above all, the Company pays attention to every aspect of services and customers' requirements and budget.





## INFRASTRUCTURE BUSINESS GROUP



### 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 creates a lot of changes in broadcasting industry. Digital technology will certainly enhance broadcasting capability in many ways, which will in turn, increase market value and competition in both quality and quantity aspects.

The Department's 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 import technology equipment from overseas such as the United States, Europe, Japan, and together with domestic parts from local suppliers whom with reputed capability.

#### • Ongoing Projects and Future Plan

In 2017/2018, the Department has a number of major ongoing projects (regarding Digital TV transition) such as MCOT (Channel 9) DTV Project (33 stations) and the Public Relation Department (PRD) DTV transition from analog to digital (146 stations).

Currently, the Department has over 86% of DTV market share in the country, however, by the year 2020, the Department has plan to increase its market share to 90% mainly through digital TV and radio network project.

### Rail Engineering Department

#### • Scope of Products or Services

The Rail Engineering Department provides a turnkey service to the customers, covering design, provide, assembly, installation, test, training and documents 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 Rolling Stock, TRAM, Railway Signaling System, Train Control System, Overhead Catenary System, Railway Telecommunication, Building Security and Automatic Fare Collection. The Department's ongoing project is the Red Line Mass Transit System by working with MHSC (Mitsubishi Heavy Industry-Hitachi- Sumitomo Consortium)

#### • 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, Bangkok Mass Transit System Company Limited, Bangkok Expressway and Metro Public Company Limited, etc.

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 is mainly as a system integrator provides a design, procurement, development, manufacturing, installation, testing and delivery of Toll Collection System either manually or electronically, Traffic Surveillance and Control System on expressway, and Building Security System. We also provide training and maintenance services for customers to use the system continuously and effectively.

Products delivered to customers in each project will meet customer requirements. Most of them will be sourced from major manufacturers with top quality products. Some specialized equipment, the department will research, design and manufacture itself, such as automatic vehicle classification system, LED signage, including the software for toll collection system, Traffic Management Software or software to manage the traffic sensors.

- **Marketing and Competition**

In the year 2017 to 2018, the government has a policy to provide infrastructure development, in particular, the expressways in Bangkok and its suburbs, as well as inter-city expressways. This helps the market grow in size. It is also an opportunity for

the Department to participating in the auction of such systems from the responsible agencies such as Expressway Authority of Thailand (EXAT), Bangkok Expressway and Metro Public Company Limited (BEM), Don Muang Tollway Public Company Limited, and the Department of Highways. Some departments have been partners for more than 20 years.

The Department has low operating risks with its experience and long-standing expertise in the area of toll collection system and traffic surveillance and control system. Its past performance is well accepted by customers and it has earned the trust as the result of good relationships to ensure customers of its on-scheduled delivery of efficient systems.

- **Ongoing Projects and Future Plans**

Current projects in progress range from its contracts to install closed-circuit TVs, expressway toll cash payment system, evaluation of traffic conditions at toll gates, improvement and modification of toll collection system for use in collaboration with the Highway Department, and CCTV cameras inside the Land Transportation Department's Cargo Terminal scheduled for completion in 2017.

The Department has projects in progress such as the project for the Expressway and Rapid Transit Authority of Thailand to improve and modify the toll collection system for use with the Department of Highways. We also have contracts to install a fire alarm system, Security system, and Networking System for the Metropolitan Waterworks Authority. These projects are scheduled to be completed in 2018.

For future projects, the Department has consistently studied and monitored the progress of the government's roadmap and policies in order to plan business operations accordingly such as participating in the construction of the Rama 3 - Daokanong - Western Outer Ring Road Expressway project or participating in Public-Private Partnership (PPP) projects which the Department of Highways will provide concessions to private operators to operate and maintenance the Bang Pa-in - Nakhon Ratchasima (M6) motorway and the Bang Yai - Kanchanaburi (M81) motorway.



## ALTERNATIVE ENERGY BUSINESS GROUP



### 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 five 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 installation

of Solar Rooftops, Operation and Maintenance for Solar farms and Solar Rooftops and consultancy service for organizations interested in operating as very small power producers.

#### • Future Projects

Action is taken on a continuous basis by the Department to find the most suitable co-investors and locations for development and to conduct feasibility studies on various projects. Other than being an electricity producer and distributor, it has also turned itself into a service installation of Solar Rooftops, Biomass System, Operation and Maintenance for Solar farms and Solar Rooftops and provider by giving advice and recommendation for installation of the Solar Farms or installation of solar cells on building rooftops for interested parties in both the public and private sectors. Feasibility studies have also been conducted on generating wind-power electricity under the Vayubutr 1-2 Projects in Nakornsri Thammarat Province as well as advice given and co-investment made in the projects to install solar rooftop generating system for several entities in the private sector.

### L Solar 3 Company Limited

#### • Scope of Products or Services

The Company has constructed the Solar Rooftop plant with the installed capacity of 466.2 kW. on factory roof and car park at Specialty Innovation Co., Ltd., Thambon Bang Phli Yai, Amphure Bang Phli, Samut Prakarn Province, where generate capability is 655,490 kW/hour/year.



### • Marketing and Competition

These days, people are interested in investing in alternative energy to produce various processes, especially the Solar Rooftop, to generate electricity for self-consumption, reduce the energy cost. Moreover, the promotion and support policy by government provide opportunities for more installation of Solar Rooftop.

### • Future Projects

Currently, the Company is moving forward for co-inverters and the most appropriate area for upcoming project. In addition to being a power producer, the Company also focus on Solar Rooftop service for a private company, from counseling knowledge and experience in contact with the government, cost analysis, return on investment, risk and business opportunities for those who interested in investing.

## Automotive Industry Division

This division's lines of business include two major areas: Electric Vehicle (EV) Business and Automotive Business.

**For the Electric Vehicle (EV) business, there are two main products:**

**1. Electric Three Wheelers (e-Tuk Tuk):** Loxley was appointed from Tuk Tuk Factory (TTF) (a Netherlands Manufacturer based in Thailand) to be the exclusive distributor for sales, marketing, and after-sales support for all their line of products in Thailand starting in 2017. For this business, the division has three major market sectors: 1. The public transport sector 2. The private sector (which includes hotels, hospitals, condominium complexes, private resorts, and food truck businesses), and 3. The universities campuses and other non-profit associations. The Tuk Tuk is one of the primary national symbols in Thailand. The Electric Tuk Tuk on the other hand reduces noise pollution as well as air pollution. This year the division has received multiple orders and plans to deliver the electric vehicles to some customers based in Bangkok as well as Chiang Mai. In 2018 the company plans to sell more electric Tuks Tuks to other groups of customers across the various sectors as previously indicated.

**2. Electric Bus:** in 2015, Loxley had established a joint venture, LBEV Co., Ltd., with BYD Japan. The primary focus of this joint venture is to do business under the product name 'BYD' for three major groups of customers: 1. Government and State Enterprises 2. Private Operators and 3. University Campuses. In the past one or two years the government had planned to purchase electric buses under the operation of Bangkok Mass Transit Authority (BMTA). However the government is currently conducting further feasibility, economic, and organizational studies, before the expected bidding takes place in 2018. Some of the general concerns regarding this business focus on the availability of charging stations, raising awareness on the use of the electric vehicle technology, as well as its increased cost. The Government has yet to put more efforts to help alleviate some of these concerns and to make the EV Technology better accessible to the general public.

Regarding the Automotive Business, and after receiving and fulfilling particular requirements from customers in the private sector, the division is now focused on selling diesel buses from multiple manufacturers specifically Mercedes-Benz. The Company plans to target different groups of customers including but not limited to Government and State enterprises as well as the private sector. In 2017 the Company received an order for Mercedes-Benz Diesel buses and will deliver this order to its customer in Phuket during the first quarter of 2018. Next year the company plans to focus more efforts in promoting this business to customers in Bangkok as well as the upcountry region.





## LB EV Co., Ltd.

LB EV is a joint venture company between Loxley Public Co., Ltd., and BYD Japan with a registered capital of Forty Million Thai Baht (40 Million THB). The focus areas of this company include manufacturing, assembly, sales and marketing, and after-sales support of Electric Vehicles and Electric Vehicle components under the brand of BYD. The company is targeting three major groups of customers: 1. Government and State Enterprises 2. Private Operators and 3. University Campuses.

In 2015, LB EV had imported 1 electric bus (BYD Model K9) and two units of electric vehicles (BYD Model e6) for a market trial. For this initiative, LB EV received good cooperation from the government, state enterprises, the private sector and university campuses. For example some of the organizations that provided support for this trial include: Electricity Generating Authority of Thailand (EGAT), Provincial Electricity Authority of Thailand (PEA), Metropolitan Electricity Authority of Thailand (MEA), Bangkok Mass Transit Authority of Thailand (BMTA), King Mongkut University of Technology Lat Krabang (KMUTL), King Mongkut University of Technology Thonburi (KMUTT) and others.

Recognizing that energy plays the crucial role in the development of the country, the Government decided to establish EPPO (Energy Policy and Planning Office) to oversee and formulate policies and plans, as well as to make recommendations regarding energy measures, so as to effectively satisfy energy needs of the country and leads to a sustainable energy security. The National Energy Policy Committee, under the direction and support of the EPPO, is responsible for the development of the Electric Vehicle Master Plan.

Reference to government policy by the Energy Policy and Planning Office (EPPO), under the Ministry of Energy, and as agreed on 11 March 2016, the Electric Vehicle Development plan includes three major phases: First Phase (2016-2017), Second Phase (2018-2020) and Third Phase (2021-2036).

For the First Phase (2016-2017), the government plans to purchase Two Hundred (200) units of electric buses for the Bangkok Mass Transit Authority (BMTA) for public transportation use and for replacing the existing old and worn-out buses. LB EV had already manufactured one local prototype of an electric bus (Model BYD K9) that complies with all the requirements and technical specifications from the government. However the government is currently conducting further feasibility, economic and organizational studies, before the expected bidding takes place in 2018.

In 2018 the Company intends to focus on the development of the Electric Vehicle business for diverse groups of customers that have increased awareness on the use of alternative energy in the transport sector. The Company also plans to introduce the new Electric Van product for the transport market in the logistics sector.





## TRADING BUSINESS GROUP



### Chemical Industrial Group

The Group includes the Sales and Marketing Department, 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, animal feed, ceramic, glass, paint, rubber, plastic, textile, paper, agriculture, and cleaning products.

- **Marketing and Competition**

Relevant factors directly impacting the Group include foreign exchange rates 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.

### 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 41 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 four categories i.e. Grocery, Beverage, Confectionery, and Beauty, Health & Wellness.

With excellent team and services, LTC has gained trust from many leading brands such as “Cook” cooking oil, “Abevia” yogurt drink, “Tra Chang” fish sauce, “Greennut” roasted peas, and “Sumaco” canned sardines, mackerel and sardine. LTC is expanding the 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. LTC is currently developing own branded skincare products and others, following our strategy to maximize our profit and marketing expertise.

## L Food Solutions Company Limited

### • Scope of Products or Services

L Food Solutions Company Limited provides food/restaurant services an expansion of its business line and to collaborate in operations with Loxley Trading Co., Ltd. to reinforce its competitive prowess for the future. The Company currently operates Japanese restaurants in the form of restaurants and product brands of its own development under the WaQ, DohTon Buri and Tetsumen Brands.



Each brand mentioned is well-versed in diverse categories of food such as Yakiniku, Shabu Shabu, Steak Teppanyaki, Okonomiyaki and Ramen all of which create the differences for the Department's products and services. To ensure that its services are accessible to its targeted groups, i.e. families, salaried work force and teenagers, these restaurants are strategically located in leading department stores such as Siam Paragon, with over 50,000 customers per month in its clientele base and about 400,000 followers in its Facebook Fan Page.

### • Marketing and Competition

Japanese food is very popular and has continued to grow. Throughout the year 2017, the total value of Japanese restaurants in Thailand is about 22,000 million, the key is still growing up to 10-15% per year, which is reflected in the number of Japanese restaurants and entrants of major corporations into the Japanese restaurant world and arrival of Japan-originated brands in the form of joint-venture companies with Thai partners, having considered Thailand as a springboard into other countries in the Region. This competitive situation and diverse offerings of Japanese specialty stores show signs of greater expansion and increased accessibility for consumers with upcountry expansion in economically developed large provinces as well.

### • Future Plans

Its future plans are to focus on building up the WaQ Yakiniku and Shabu brand to gain wide acceptance and good response from consumers. In 2017, WaQ Yakiniku restaurants have been well received by consumers, especially in Siam Paragon with a sales turnover which increased by 40% vis-à-vis 2016. The Company, therefore, is planning to expand its clientele base by opening 2 more branches in 2018.

From consumer life-style which has to adjust to rapid changes with appropriate time management to meet various activities each day, plans have, therefore, been made by the Company to respond to this group's needs as well with the introduction of its Go Go Curry restaurant, a strongly curried flavor from Japan which originated in Kanazawa with over 40 branches in Tokyo and 200 branches throughout Japan. With concentrated curry flavor which is uniquely favored by Thai consumers, freshly cooked and with prompt services at appropriate prices, the introduction of this restaurant will answer the requirements of target clientele, namely students, office workers as well as the new generation families. 5 branches will be opened for service throughout Bangkok Metropolis.

Moreover, the Company plans to develop the potential of procuring raw materials in collaboration with Loxley Trading Co., Ltd. so as to acquire quality raw materials and lower production costs on a continuous basis. Preparations and processing of main raw materials, i.e. beef and salmon will be handled by its expert chefs themselves before having them distributed to the various branches with the aim of controlling the qualities and conditions of raw materials and products which, indeed, is its raison d'être. This, in conjunction with good services, will increase its potential to meet competition in the restaurant line of business for its further growth.



## INTERNATIONAL TRADE BUSINESS GROUP



### International Trade and Business Development

- **Scope of Products or Services**

The International Trade Business Group strives to promote international businesses of Loxley both in trade and investment by primarily focusing in AEC (ASEAN Economic Community) countries and China. Since 2013, through its subsidiary in China- Loxley Intertrade (Guangzhou) Co., Ltd., the Group 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 oil and gas company in China operating more than 20,000 gas stations throughout the country.

Besides China, the Group also exports the Thai products to 4 countries: i.e. Laos, Myanmar, Vietnam, and India. The products exported to those markets are divided into 3 categories; i.e. Food & Consumer Products, Castrol Lubricant, and others.

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 in product-development process to respond to the needs and demand of consumers in oversea markets.

- **Future Plan**

The Group plans to expand its distribution network to cover more area in its target countries, as well as increase variety of products offered to the markets. The Group is now exploring the opportunity of exporting the Thai products to African markets. And in order to cope with the trend of e-commerce, the Group is now developing its own B-to-B Cross Boarder e-trading Platform along with financial institutes and logistic service providers to offer one-stop-service e-trading platform for the Thai SME



## SERVICES BUSINESS GROUP



### 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, Japan and European countries. Some products are locally purchased and developed to increase its' capability. The Department has always focused on providing products that meet customers' requirements and put importance on good long-term relationship with customers. Moreover, it has also focused on providing first class after-sales services while ensuring no surplus products that would eventually affect the environment.

- **Marketing and Competition**

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

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

The market trend mainly depends on the allocation of government budget and whether the suitable products are represented. Meanwhile, the overall economic 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 2017. The Department also has continuously the spare part projects for every year. In 2018, the Department will provide the Defense System to the Royal Thai Airforce and the Equipment on Offshore Patrol Vessel to the Royal Thai Navy with delivery expected in quarter 1 and 3.



## ASM Security Management Company Limited

### • Scope of Products or Services

ASM provides security services for airports, aircrafts, good depots, office buildings, hotels and various office buildings and is going through a period of rapid and continuous growth and expansion. In 2017, airport security business witnessed a growth rate of 24% as the result of extension of contracts for the Suvannabhumi and Phuket Airports as well as work expansion for regional airports, i.e. Samui, Phitsanulok, Khon Kaen, Krabi, Ubon Ratchathani, and U-Tapao. Ground security services and security for goods depots also grew as a result of transportation business expansion.

### • Marketing and Competition

Factors which hiked up costs of Security/Safety business ensue from the Security Business Act, B.E. 2558 (2015) as well as service users' expectation of high efficiency from security personnel at the same time plus additional requirements for standardization in specialized fields. Great importance, therefore, was given by the Company to acquire the certification on training course/curriculum on safety/security of the aviation business from the Office of Civil Aviation of Thailand (OCAT), certified instructor, development of technologies, familiarization of ISO standards and security/safety measures in line with specific niche clientele such as the fuel industry, office buildings, hospitals, hotels, transportation and so forth. Furthermore, the Company focuses on quality control, reinforcing customer relationships to maintain existing clientele as well as giving particular attention to employee welfare, labour relations and retention of personnel in order to support sustainable growth of the Company.

### • Future Plans

Plans and directions set out by the Company for the 2018-2019 periods are as follows:

- Business expansion in line with growth rates of airports in the various regions.
- Development of personnel at middle management level.
- Business expansion in the area of fully-comprehensive training.
- Business expansion in the area of personnel recruitment services





## JOINT VENTURE BUSINESS



### BP-Castrol (Thailand) Limited

#### • Scope of Products or Services

BP-Castrol (Thailand) Limited (BP-Castrol) is a joint venture between Loxley Public Company Limited and BP Oils of United Kingdom and engages in the business of manufacturing and distributing of engine lubricants under the trademarks “Castrol” and “BP” which are well perceived to consumers. Most of raw materials used in manufacturing are from various sources within the country. BP-Castrol continues to produce high quality products that satisfy customers’ demands and expectations. Moreover, BP-Castrol engages itself in continuous activities to improve and develop products technology to ensure that the products are of highest quality and suitable or meet the customers’ requirements to the extent most possible.

BP-Castrol consistently improves the quality of goods distribution channels (using distributors as the primary channels) to facilitate smooth, accurate and quick delivery of goods to ensure easy supervision and the widespread reach the consumers.

#### • Marketing and Competition

Engine lubricants market in Thailand is highly competitive. Competitors have continuously deploy ‘price cutting’ strategies, promotion activities, and mass advertisements. From January 2017, the industry has been impacted by excise tax imposed. The leading engine lubricant companies in Thailand include PTT,

Shell, BP-Castrol, Caltex and Exxon/Mobil, whose combined market share represent more than half of the market. As one of the leading companies with high market share, BP-Castrol has agility to adapt its strategy and operation plan in accordance to business environment in order to increase its competitiveness and market share while upholds the principle of providing the superior quality products and service offers to customers and consumers. The target customers of BP-Castrol include any party that employs transportation vehicles, land and marine transportation businesses as well as industries which utilize heavy machineries.

#### • Future Plans

BP-Castrol’s goal is to be the leader in engine lubricants market. The key strategy and policy to drive future growth are not only by developing innovative and modern technology-products which meet customers’ requirements but also expanding customer base. To this end, focus will be at repair shops, spare parts shops and independent cars and motorcycles garages through strong relationship and development of these workshops so that they offer differentiated images, services and platforms and are high standard engine oil changing service centers.



## Thai Fiber Optics Co., Ltd.

### • Scope of Products or Services

Thai Fiber Optics Co., Ltd. (Thai Fiber) is a joint venture between Loxley Public Company Limited and Bangkok Telecom Co., Ltd., a leading copper telephone cable manufacturer in Thailand under the world leading fiber optic cable design and manufacturing technology supervision from Furukawa Electric Co., Ltd. from Japan follow International Telecommunication Union (ITU). Thai Fiber is a Thailand's first optical fiber cable manufacturer who supplies optical fiber cable for telecom and internet networks.

Thai Fiber has been aware of the environmental impact. It designs and produces green product under RoHS (Restriction of Hazardous Substances Directive in electrical and electronic equipment) and Indoor cable standard follow IEC 60332. Thai Fiber 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 in year 2017.

### • Marketing and Competition

Following the 4G network installation in Thailand, the Ministry of Digital Economy and Society has proceeded the implementation through all villages according to the "Pracharat Internet" project. The Office of the National Broadcasting and Telecommunications Commission (NBTC) has been in charge for internet in border villages. The Ministry of Industry demands that optical fiber cable be a controlled product under Industrial Standard. The producers and importers of optical fiber cable have to obtain license to produce or import industrial products with standard controlled under the Royal Decree on the standard of optical fiber cable manufactured or imported for sale in Thailand. The quality is being improved to meet with the new ITU standard.

Thai Fiber has designed production ARSS cable capacity to cope with the requirements of the Provincial Electricity Authority (PEA) and planned to sell FURUKAWA products in a comprehensive solution.

### • Ongoing Projects and Future Plans

Thai Fiber has purchase orders of cables amounted to 1.7 million meters for using in the Metropolitan Electricity Authority (MEA)'s projects; the delivery will be completed in year 2018.

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

### • Scope of Products or Services

NS BlueScope (Thailand) Limited and NS BlueScope Lysaght (Thailand) Limited are joint venture companies between Loxley Public Company Limited and a holding company of BlueScope Steel Limited and Nippon Steel and Sumitomo Metal Corporation. BlueScope Steel is an Australian leading company and a world leader in coated steel business. NS BlueScope (Thailand) manufactures and distributes zinc coated steel, aluminium/zinc alloy coated steel and pre-painted steel. BlueScope Steel's production plant is located at Map Ta Phut Industrial Estate, Rayong province. Currently, NS BlueScope (Thailand) produces coated steel and pre-painted steel for construction, manufacturing and home appliance sectors.

For construction sector, NS BlueScope (Thailand) is the leader for producing coated steel sheet and pre-painted steel sheet used as a material for roll-forming metal sheets for roofing and walling as well as for wall structures. NS BlueScope (Thailand)'s major brands include Clean Colorbond® and Zinalume® for industrial and large commercial buildings, BLUESCOPE Zacs® and Jing Joe Lek® for small to medium commercial buildings (SMEs) and residential housing.

For manufacturing and home appliance sectors, NS BlueScope (Thailand) currently introduces products under the brand SuperDyma® to the general manufacturing market and home appliance market and also introduces the brand VIEWKOTE™ to the home appliance market. SuperDyma® is a highly corrosion resistance metal coated steel with aesthetic coating surface appearance and VIEWKOTE™ is a top pre-painted steel technology from Japan.



### • Marketing and Competition

Domestic demand was sluggish both in terms of consumption and investment. In addition, high coated steel import volumes from China and Vietnam has brought high price competition to the market. These factors have put a pressure on steel price.

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

### • Future Plans

With the confidence on Thai economy's strong future prospects, especially the construction industry, NS BlueScope (Thailand) strongly believes that its third metallic coating line plant with an investment value of approximately 4,500 million Baht which is underway at Map Ta Phut Industrial Estate in Rayong province will be able to serve the premium-quality metallic coated steel for small buildings industry and the residential market from medium to small scale. The construction is expected to be completed with operation in the second half year 2018.

## BlueScope Buildings (Thailand) Limited

### • Scope of Products or Services

PROBUILD® is steel structure building designed and constructed under PRE-ENGINEERING BUILDING by BlueScope Buildings (Thailand) Limited. All structures and components are engineering designed and are of modular system character. Building components are designed and manufactured in the factory and delivered to construction site for assembling, installation with bolts, knot or knock-down. Ready-made steel buildings are suitable for industrial factory buildings, go-downs, distribution warehouses, repair and maintenance buildings, aircraft hangars, cold storage and others.

BlueScope Buildings has realized importance of and always adhere to excellent service policy. Its scope of service consists of advisory opinion from work planning, primary design, design

and estimation report, preparation of construction model, production of building components based on PRE-ENGINEERED system, as well as warranty and after sale service.

Products manufactured and services offered by BlueScope Buildings are those under trademarks "PROBUILD®" and "PRO-LOK 75™".

In addition to supply good products and services to customers, BlueScope Buildings has realized the importance of health, safety and environment, has made continuous improvements on these performances and intends to enforce the followings policies to ensure success:

- 1) compliance with domestic laws and regulations of Blue Scope Steel
- 2) participation of all employees and contractors
- 3) being good corporate citizen in the communities and respecting the values and cultural heritage of the country and local communities
- 4) ensuring that all its employees being aware of accountability to health, safety, environment and success of the communities

### • Marketing and Competition

BlueScope Buildings has focused and realized the importance of AEC as it foresees that AEC shall change surrounding environment for traditional competition. The major changes will be competitors, customers and market channels that will not be limited to the domestic level, but to ASEAN countries including other countries in different regions. By adjusting internal strategy -extending opportunity to ASEAN countries will help reducing severe domestic competition risks from local investment.

### • Future Plans

Upon successful market expansion to agricultural sector and maintaining customer based from industrial sector in the previous year, BlueScope Buildings has realized the importance of business expansion to neighboring countries where economic growth and investment are increasing. Furthermore, BlueScope Buildings 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, legal and credit facilities ensuing from sale of products and services including investment management to ensure that they are in compliance with policies and operating guidelines governing good corporate governance and sustainability. 5 separate departments, namely Corporate Finance & Consolidated Account, Accounting Management, Strategic Investment and Investor Relations, Finance & Credit and Legal & Securities are in charge of such activities.

#### • Preceding Year Performance and 2018 Plan

Emphasis and importance continued to be given on the issue of managing and maintaining financial liquidity with particular reference to management of project credit lines and general working capital with the use of various financial instruments such that they were able to efficiently manage financial costs and remain competitive in the market. These were accomplished through procurement of financing sources to reduce financial costs which would support the Company's growth and expansion of its new lines of business. Furthermore, Work Manuals were improved to keep in line with current work in progress with emphasis on detailed and diligent performance based on strict compliance at every stage. Support, however, will continue to be given to every Group of Business to ensure effective

achievement of their goals while expediting scheduled repayments from debtors to forestall loss debts and be in line with its tasks to maintain liquid working capital. Focus was also given by the Group to adjust its work system in line with accounting systems which must be responsive to the complexities and rapid changes of the economy, technologies and laws or related regulations including development of human resources to meet continuing challenges of new transactions in this digital age. Investor Relations (IR) has the duties to liaise between the Company and its stakeholders, i.e. shareholders, investors, analysts and the mass media to receive their understanding for overall businesses and plans of the various Groups in the Company. Focus is given to providing information that is clear, correct and continual according to rules. Last year, the Group supported and participated in the Stock Exchange of Thailand's "Meet the Investors" program when it met with analysts and investors on a number of occasions. Information presented to visiting analysts enable them to make proper information to shareholders and investors via the Company's website and phone, with briefing made at the same time, from an outsider's point of view for senior executives in the interest of continuing development.

It is this Group's policy to focus, in 2018, on developing work processes with the use of IT technologies with its accounting and financial software and to expand its programs to support



the various Business Groups to ensure that their reports are prepared correctly in line with accounting standards, taxation rules, the Stock Market's rules and requirements and other relevant laws. At the same time, work must be handled promptly and be of benefits in a timely manner to the various Business Groups; steps in working procedures must be cut down with the use of financial instruments from products which are acceptable to financial institutions to ensure that work will be accomplished promptly and accurately with greater efficiency. The Group made opportunities to develop major skills accessible to all personnel for the sake of sustainable growth through improvements of work processes and technology systems to ensure greater efficiency in keeping with the world today as well as for the future. Personnel development, too, was aimed at enabling employees to be ready for changes and reach the stage of professionalism which will drive them together as a team in collaboration with other work units under the same affiliation and with the same targets and corporate loyalty. While the need to effectively manage its financial costs prevailed, there was nevertheless a need to expand its trade credit extensions to support investments and new businesses in the future. With fluctuations in today's global economies which are projected to increase in severity in the future, great importance was given by the Group to the impact which could be felt by its operations. Thus, plans were formulated with even greater prudence and details particularly in areas concerning management of investment risks and project management while maintaining the balance at the same time between appropriate rates of returns and corresponding period of returns for investments which would be appropriate for each particular situation. Investment Relations continued to emphasize the need to gain an insight not only into the picture of the Company's overall business operations but also of its Plans while gathering and analyzing various comments and opinions from investors and outside analysts for further submission to the top management to cope with significant issues for sustainable growth.

## 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 2018 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 2018 Plan

In 2017, 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 ICT Business Group, Power Systems Business,

Food Business, Service Business Group, and its subsidiaries. The Department was also responsible for supporting business information and news clipping in form of printing and online media 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, and organized social activities.

In 2018, 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, and mass media connections as well as support trading in special economic zones.





## ACTIVITIES IN AREAS OF CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



The Corporate Social Responsibility Department's prime mission is to coordinate work in every sector to ensure compliance and consistency with its social commitments with focus on nurturing participatory attitude and the "Voluntary Mind" among its personnel. The seedling of this Voluntary Mind will be cultivated towards sustainable development and its multi-dimensional social activities had earned the faith and trust of its investors, customers, business partners and stakeholders alike which, indeed, is reflective of its Corporate Vision: **"INSPIRED CHOICE FOR CUSTOMERS, BUSINESS PARTNERS AND INVESTORS"**.

In 2017, the Corporate Social Responsibility Department continued to focus on Creating Shared Value with the use of its corporate resources and expertise in response to issues concerning solution of social problems, promotion of potential not only for the communities but also for those considered deprived or under-privileged. Participation was encouraged for network organizations in the neighbourhood such as the Penang Market Community (reinforcing stability at individual levels, both at children/youth and adult levels), Duang Prateep Foundation and Sikkha Asia Foundation (financing educational activities). Other than this, its employees were given the opportunities to

participate and exchange their experiences and knowledge with the locals which lead to community development, creation of networks and organizational network in their concerted efforts to work together for the good of the Society.

### Work Propelled for Society

In 2017, the Corporate Social Responsibility Department undertook work in line with the Company's policy with focus on continuous social development such as giving its support to the public and private sectors, educational institutions, foundations and communities in the Klong Toey area. Furthermore, activities towards potentiate development were arranged as follows:

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

Loxley Sports Hero is a project in which **the Company and its affiliate, ASM Security Management Co., Ltd. (ASM)** have been giving their support to the **Sport Association for the Disabled of Thailand Under the Royal Patronage of His Majesty the King** and members of the National Para Sports Team continually for six years from 2012 until now and, in 2017, it has a total of 62



para sportsmen employed under its regular payroll. It also helped disseminate news on activities in the para sports circles via public media such as newspapers, TV shows and websites as well as partially subsidizing some travelling expenses for the handicapped sportsmen for their participation in overseas matches. Support given by the Company in conjunction with its affiliated network for para sports matches in the country were as follows:

#### 1.1 Loxley Para Power Lifting Thailand Championships 2017.

Held by the Power Lifting Association for The Thai Disabled at the Sports Authority of Thailand's Power Lifting Training Centre, Hua-mark, with the aim of promoting and popularizing para power lifting sports among youth and the general public, carrying out statistical tests on the Thai National Para Power Lifting team and developing their capacity for excellence in getting prepared for the ASEAN Para Games 2017 in Malaysia.

#### 1.2 2017 Pakkret Cup Para Games Fest.

300 sports shirts were provided by the Company and ASM Security Management Co., Ltd. (ASM) in support of the 2017 Pakkret Cup Para Games Fest.



#### 1.3 Congratulatory party held for para sportsmen for their participation at the ASEAN Para Games 2017.

The Company and ASM Security Management Co., Ltd. jointly hosted celebrations party at its Head Office's Loxley Building to congratulate and hand out awards to 29 members

of the Thai Para Sports Teams under the LOXLEY Sport Hero Project who participated in the ASEAN Para Games 2017 in which they had won 10 gold medals, 12 silver medals and 11 bronze medals.

As the result of its past activities in the Project to Develop the Disabled's Potential on a continuous basis, the Company was awarded the Trophy of Honour for **"2017 Excellent Corporate Support for the Handicapped"** from the Ministry of Social Development and Human Security on the International Day of Disabled Persons, December 1, 2017.





## 2. Community development projects

Since 2010, the Corporate Social Responsibility Department, in conjunction with the Penang Market Community Committee, Voluntary Mind Network and BY Penang Youth Group had been setting out on directions towards coordinated efforts to work together by drawing up plans, determining roles/duties, summarizing activities and transcribing lessons acquired through communal work under **“Work Concurrently with Development”** concept.

**The 2017 Penang Change Agent Project:** activities were arranged with the Penang Market Community in various areas such as Community-Relations, Children and Youth Development and Fire-Prevention, etc. Major events held for these projects were as follows:

### 2.1 “Pastel Games 2017”

**“Pastel Games”** first begun in 2011 to create a forum for the BY Penang children and youth to embolden them to think and present themselves creatively in public with the use of Sports as the driving force behind their development. In 2017, children and youth from other communities were also invited to participate in arrangements for these Pastel Games when meetings were attended by children and youth from the Penang Market Community, 70 Rai Village Development and Locks 4-5-6 Communities which set up targets for their activities as well as basic forms of arrangements. Chairmen and members of each community also participated in these meetings to listen to their opinion and to give support to youth leaders to carry out work to the full such that the **“Pastel Games 2017”** was born. Moreover, lessons learned from works carried out by our teams with these children and youth were summarized for use as guidelines in next year’s activities.



### 2.2 Free Learning Space

This is an activity under the concept of **“Change Leader: Penang Market, Community for the New Generation”** with children and youth working as a team to initiate activities designed creatively on things which they are interested in which will be under their own management and of benefits to their own communities with members of their Community Committees and volunteers acting closely as their mentor and coach. From this line of thoughts, 3 community projects have been created, as follows:

- **“Clean-look Community, Enhancing the Environment”.** Scores will be given on the cleanliness of each house in the community.
- **“Twenty Baht by Penang”** Project. Second-hand items from local residents will be sold by children and youth in the community at the price of Baht 20 with the proceeds derived given to owners of such items.
- **“Junk is Useful”** Project. Remnants left from use will be crafted into new kind of useable items. This will not only reduce the bulk of garbage in the community but will also be expense-savings at the same time



From the conduct of these operations, one finds that children and youth have the bravery and determination to bring themselves out of the old safety zones which will be the starting point for small changes in their own communities. They will have the potential for development to rationalize, accept other people’s opinion, design and implement plans and make pertinent improvements pursuant to advice given by their advisory teams.



### 3. Creating the Shared Value.

With full recognition of the importance of the Creating Shared Value (CSV) concept as the goal towards sustainable corporate development, the Company is determined to encourage its employees at every level to understand this principle of CSV in the conduct of business which is to grow together in all areas—be they business, communities, social or the environment.

#### 3.1 Fire-prevention training project

From the outbreak of fires in the Penang Market in 2015, the Company coordinated its efforts with **ASM Security Management Co., Ltd. (ASM)** and public organizations, foundations and fire prevention squads in Klong Toey to share their knowledge and experiences with the Penang Market Community through “**Fire Prevention Projects**” with people from various work units invited to give their talks on both pre- and post- fire outbreaks. Training are given with actual fire-fighting equipment to give them an insight and enhancement of skills and experiences to reduce risks and knowledge on how to eliminate them. Moreover, fire-drills were arranged by the Penang Market Community with well laid-out evacuation plans to get residents well-prepared to face an actual fire break out in their area.



#### 3.2 Educational studies and visits for the sake of the Society.

Orientation programs were arranged by the Corporate Social Responsibility and Human Resources Departments for new employees. 50 employees were taken on a study visit of the L Solar 1 Co., Ltd.'s Solar Cell Power Plant in Kabinburi District, Prachinburi Province with the aim of enhancing their

understanding and knowledge on alternative power and on co-existence between an organization and local residents. This, indeed, would be useful to propel future business movements and is also in line with human resources development.



### 4. Project of Cooperation with its Networks

#### 4.1 Miraibrary Camp with the Sikkha Asia Foundation

Miraibrary Camp activities were arranged by the Corporate Social Responsibility Department in conjunction with Sikkha Asia Foundation for the target group of 60 children and youth in the Klong Toey area with the aim of encouraging creative reading by opening up their horizons beyond the libraries onto a new environment as well as giving them an opportunity to learn about co-existence with other people in the form of 1 night 2 days camp at Phetcharat Boy Scouts Camp in Saraburi. Children and youth were able, as the result, to better identify points of interest in their reading, better adjust themselves by learning to live with other people and develop their abilities to become youth leaders and arrange activities in the Foundation's library.





#### 4.2 Learn About the Zoo Project in conjunction with Duang Prateep Foundation.

The Corporate Social Responsibility Department in conjunction with the Duang Prateep Foundation arranged activities to promote learning about the Dusit Zoo or the **“Around the Zoo with Loxley”** with a target group of 220 pre-schoolers from 4 nurseries in the Klong Toey area. The objectives of this program are to enhance knowledge and direct experiences from the source of learning, i.e. actual site which will give the children a meaningful opportunity to learn and develop their bodies, emotions, mind, sociability and intellects. Such comprehensive development of multi-skills are achieved hand-in-hand with cultivation of their senses of morality, ethics and desirable characteristics and will be reflective on their happiness, fun, good impressions and natural responses for these pre-school children.



#### 5. Projects in support of the public sector

The Company, in conjunction with the Office of the Deputy Prime Minister, arranged the **“Project to enhance the quality of life for students in under-privileged schools”** aimed at improving the quality of life for schools in distant and barren areas and to efficiently develop their learning/teaching capacity. The Company has given budgetary support to the 26<sup>th</sup> Mae Thao Klang Mitparb Community School in Mae Sod, Tak Province, for construction of the **Water Tower for the Community** to solve water shortage problems in the area, and for construction of the **Loxley Learning Centre** to promote the teaching/learning of vocational studies with greater efficiency in response to the school's needs and in line with the Project's policy.

As the result of this Project, the Company has been awarded the Trophy of Honour from the Office of the Prime Minister.



#### 6. Development of Potential for the Voluntary Mind Project

To instill a mind of voluntary public service among its employees and to encourage their participation in deeds which would be of benefits to the people, the Corporate Social Responsibility Department has, since 2012, created the concept of corporate culture and cultivating the value of giving centered on employees under the name of the CSR Club. To ensure that this voluntary mind mission achieves its goals, the Department designed a conceptual plan for such development covering social, educational and environmental areas and handled the following Voluntary Mind activities in 2017:





### 6.1 Project to Train Voluntary Mind Employees for Corporate Sustainable Development.

A seminar on **“Building Voluntary Mind Employees for Corporate Sustainable Development”** was arranged by the Corporate Social Responsibility Department by inviting employees from its affiliated companies with leaning for voluntary work to share their valuable experiences and events which will be an inspiration for other employees. At the same time, members of the Penang Market Community and interested volunteers were invited to participate in the making of incendiary flowers (Dararat) under this concept of **“Minds Unite to Grieve and Pay our Respect with 9,999 Incendiary Flowers”** in our heartfelt gratitude for His Late Majesty King Bhumibol Adulyadej. All these flowers were handed over to the Klong Toey District Office for use in the Royal Cremation.



### 6.2 Growing Forests in the Human Mind

The Lions Dusit Bangkok Club in conjunction with the Look Forest Organization and Sirindhorn International Environmental Park and the Company joined hands in the **“Growing Forests in the Human Mind No. 1/2560”** activities to follow the footsteps of the Royal Father, King Rama IX, with Dr. Sumet Tantivejkul presiding over the event. It is the objectives of this event to create awareness on environmental problems and build up participation from volunteers through forestation activities with lessons learned from them transcribed in the learning process.



### 6.3 Voluntary Bank activities

With this idea to increase the horizons for Voluntary Minds activities, PR activities were arranged by the Corporate Social Responsibility Department on the **“Voluntary Mind Bank”** activities designed to give more opportunities for its employees with such voluntary minds to work in. Employees are free to join in activities of their choice which best meet their skills, interests and at the time which will be convenient to them. This is considered another channel for employees to learn and share and to give good things back to Society.

**As the result of the Corporate Social Responsibility Department’s activities in 2017, achievements can be summarized as follows:**

#### In Educational Areas:

- Duang Prateep Foundation, Sikkha Asia Foundation and various educational institutions were provided with funds and educational equipment in line with the Company’s intention to provide support for education on a continuous basis.
- Children and youth were given the opportunities to learn freely via various extra-curricular activities. For example, they learned to improve their reading skills and aptitude for co-existence with other people from the Reading Camp. Pre-school children were happy and responsive to their natural instincts to learn from the Around the Zoo with Loxley activities.



### In Social Areas

- Increased connectivity and better understanding between children/youth and adults in the Penang Market Community as the results of having worked together and what they have learned from these activities.
- Children/youth and adults in the Penang Market Community helped to together preserve Thai traditions through various activities such as water-pouring blessings for the elderlies on the Elderlies Day, expression of feelings of love and care among family members on Mother's Day etc. This help to create awareness in the mind of children/youth at the same time as drawing out their participation.



- BY Penang Youth Group has acquired greater leadership from activities and things learned throughout the year.
- As the results of the Pastel Games, children and youth in the Penang Market Community came to know and participated more in activities with children and youth from their surrounding areas.

- The communities acquired knowledge and skills in preventing fire and about basic fire-fighting.
- The crippled and disabled earned an income and made fame for the country from the Para Sports Project.
- Members of Para Sports teams in the Project were encouraged by various activities.

### In Environmental Areas

- Decreased volume of garbage left after various activities/events.
- Employees gained more knowledge on environmental preservation issues with better views towards Change coming first from themselves as the result of study-tours arranged to promote preservation of the environment and exchange of views on environmental issues.
- Employees gained more knowledge about alternative power and power-savings as the result of their visit-tour of L Solar 1 Co., Ltd.'s Solar Cell Plant.

In 2017, the Corporate Social Responsibility Department continued to implement its policy which focused on creating the Shared Value with the use of corporate resources and expertise for social, education and environmental development. This is in line with the Company's policy to encourage participation in activities which would be of benefit to Society, divisional or employee levels, hand-in-hand with economic development, job creations and income generation in response to its Sustainable Development Goals (SDGs) and the National Economic and Social Development Plan.





# RISK FACTORS

## Risk Factors from Business

### 1. 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.

### 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. 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 one 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.



#### 4. 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 steps toward AEC where neighbor countries such as Myanmar, China and Vietnam and Lao where uncertain law provision, regulations, government policies, political and economic situation cause unflavored impact to the business. Such impact may include increasing cost and expenses, negative business operation, financial status or unexpected overall outcome. To lower the risks and impact from oversea business, the Company has studied the pros and cons, yield upon investment, investigate new partners, as well as study related laws and regulation of such countries carefully prior to its execution.

### Risk from Management

#### 5. 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

#### 6. 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.



## 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 2017, 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 2,264,954,920.00, divided into 2,264,954,920 ordinary shares
Par Value per Share	: Baht 1.00

### Information on Registered Capital

Date/Month/ Year of Registration in MOA	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 2017, the Company's registered capital was Baht 2,331,250,000. Paid-up capital totaled Baht 2,264,954,920, divided into 2,264,954,920 ordinary shares at Baht 1 par value. The remaining of 66,295,080 shares are 1) 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, and 2) the shares reserved for exercising warrants of the Company for the existing shareholders who have the right to receive the stock dividend as aforesaid and public investors who subscribe the capital increased shares of the Company as per resolution of the extraordinary general meeting of shareholders no.1/2014. The Company will eliminate these remaining shares by decreasing its registered capital later.

### 1.2 Warrant (LOXLEY-W)

On 3 October 2017, the Company reported on the results of the Warrants' exercise of the Company No. 1 (LOXLEY-W) finally (the last day of exercise was on 29 September 2017), had 2 lists of Warrant's exercise total of number of exercised warrant 150 units. The ratio of the warrant:share as one share:one unit, an exercise price amount Baht 7 per share. The total number of shares derived from exercised warrants amount 150 shares and on 18 October 2017, the new shares of the Company amount 150 shares to be traded in the Stock Exchange of Thailand (SET).

### 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 bonds 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 bonds for sale:

- (1) A part of secured bonds 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 3.89% per annum and date of redemption set on 18 December 2022.
- (2) A part of secured bonds 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 2024.

Both sets of bonds 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 bonds are at the level of A- with fixed credit trends. All bonds were offered for sale to institutional investors and major investors.



## 2. Shareholder

List of 10 major shareholders of the Company, as of 30 December 2017 (date of closing shareholder's register) :

No	Name	No. of shares	Percentage share
1	The Lamsam Group consisting of	691,266,338	30.53
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. Banyong Lamsam and Mrs. Nartrudee Weeramaeteekul	20,200,000	0.89
1.5	Mrs. Duangruthai Poomchusri	12,931,012	0.58
1.6	Mr. Chalermchoke Lamsam	9,876,688	0.44
2	Mr. Kiatchai Limpichotpong	107,789,755	4.76
3	Thai NDVR Co., Ltd. *	107,067,324	4.73
4	Mr. Pravrit Chantraprapawat	40,297,300	1.78
5	Mr. Nuttapol Jurangkool	28,109,400	1.24
6	ML Prasopchai Kasemsant	21,420,000	0.95
7	Mrs. Benjawan Kumpanartsanyalorn	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. Supachai Weeraborwornpong	11,531,700	0.51

\* 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 28 April 2017

As of 28 April 2017, 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	%
1	The Lamsam family (12 persons) and Lamsam Estate Co., Ltd.*	4,064,433	64.01
2	The Wanglee family (22 persons)	599,682	9.44
3	The Chatikavanij family (3 persons)	430,209	6.77
4	Mrs. Nartrudee Weeramaeteekul	349,291	5.50
5	Mrs. Sumanta Mekkaves	147,557	2.32
6	Aran Ordinary Partnership	129,896	2.05
7	Sujit Ordinary Partnership	129,896	2.05
8	The Jutrakul family (3 persons)	107,784	1.70
9	The Sibunruang family (3 persons)	107,784	1.70
10	The Changtrakul family (3 persons)	92,402	1.46
11	Others	191,066	3.00
<b>Total</b>		<b>6,350,000</b>	<b>100.00</b>

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



## 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.

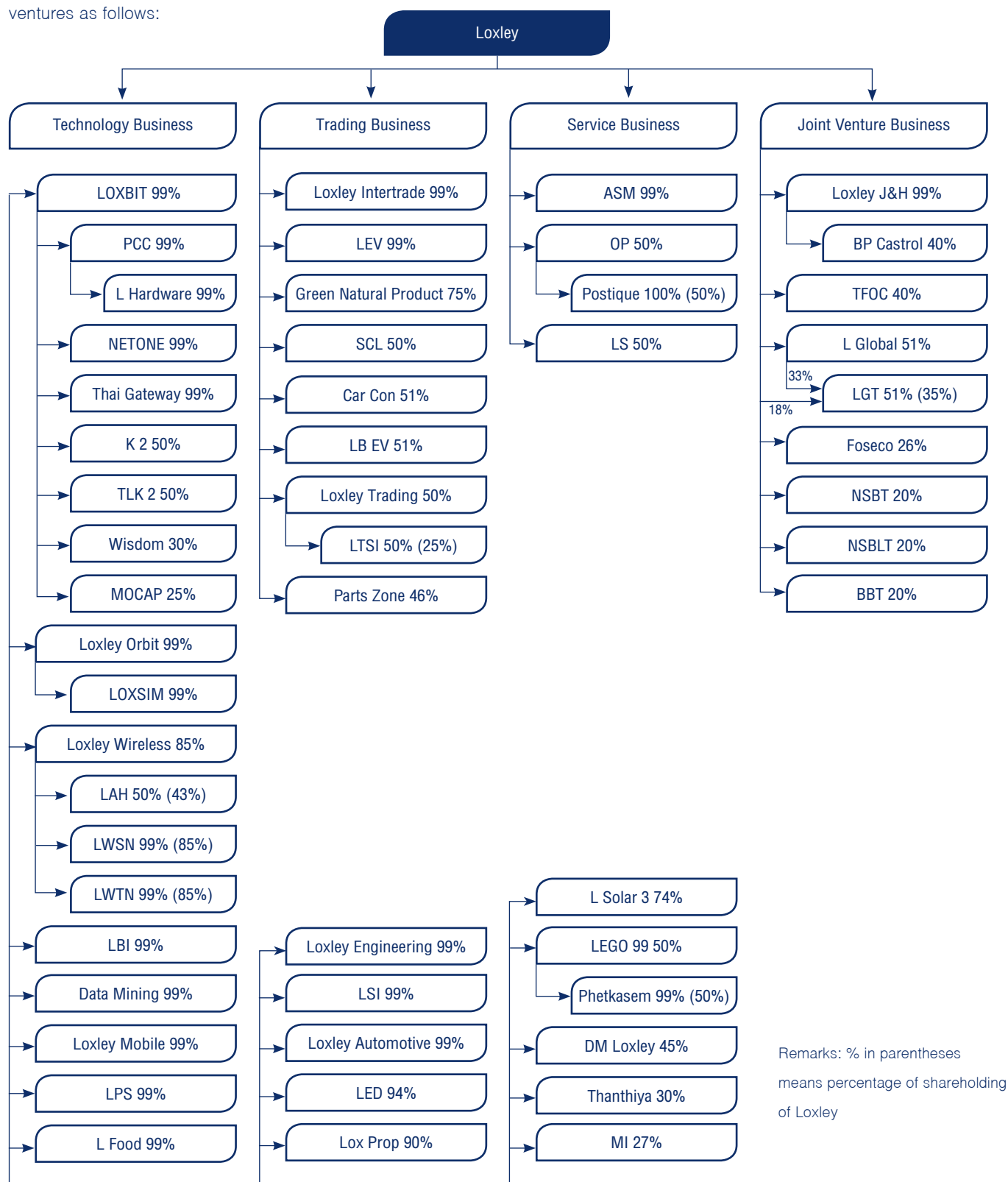
In terms of subsidiaries, the Board of Directors of subsidiaries have the policy to pay dividend based on operating performance and with consideration of each company's financial position, cash flow and investment plan.

In 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. In 2014, the Company paid dividend at Baht 0.10 per share, totaling Baht 226 million. In 2015, the Company paid dividend at Baht 0.05 per share, totaling Baht 113 million. And in 2016, the Company paid dividend at Baht 0.07 per share, totaling Baht 159 million.



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

As of 31 December 2017, the Company holds shares, directly and indirectly, in 32 subsidiaries, 17 associates and 4 joint ventures as follows:





### Direct subsidiaries

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of share-holding
1	Loxbit Public Company Limited (LOXBIT)	No. 102/99 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Trading of telecommunication equipment, computers and computer programs	450	99
2	Loxley Orbit Public Company Limited (Loxley Orbit)	No. 116/19 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Telecommunication and computerized database service	45	99
3	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
4	Loxley Joint & Hold Co., Ltd. (Loxley J&H)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Holding company	1,000	99
5	Loxley Mobile Company Limited (Loxley Mobile)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Sale and service of various prepaid electronics cash card	20	99
6	L Food Solutions Company Limited (L Food)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Provide food service	40	99
7	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	1.05 USD	99
8	Loxley Business innovation Co., Ltd. (LBI) (Formerly L Green Solution Company Limited (L Green Solution))	No. 2, Soi Phaholyothin 19, Chatuchak Subdistrict, Chatuchak District, Bangkok	Sale, service, and installation of automatic telephone switching systems	10	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, 2nd Floor, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Trading and installation of elevator and escalator	3	99
11	Loxley Engineering Co., Ltd. (Loxley Engineering)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Engineering services in the telecommunication network systems	10	99



No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of share-holding
12	Loxley System Integrator Company Limited (LSI) (Formerly Loxley Wireless System Integrator Company Limited (LWSI))	No. 2 Soi Phaholyothin 19, Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok	Engineering services in the telecommunication network systems	20	99
13	ASM Security Management Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Provide security services at Suvarnabhumi Airport and others	100	99
14	Loxley Automotive Co., Ltd. (Loxley Automotive)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Manufacture, assembly, rent, lease, import, export and after sale service of all kinds of vehicles and spare parts	1	99
15	Loxley Environmental Dynamics Company Limited (LED)	No. 102/99 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Provide advice and guidance on the management of garbage, waste and the establishment of a waste disposal plant for electricity generation.	8.50	94
16	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	250	90
17	Loxley Wireless Public Company Limited (Loxley Wireless)	No. 2 Loxley Building, Soi Phaholyothin 19, Chatuchak Subdistrict, Chatuchak District, Bangkok	Sale and service of telecommunication and information technology systems	275	85
18	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
19	L Solar 3 Co., Ltd. (L Solar 3)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Manufacture and distribute electricity, plan design, install and construct solar power plant	10	74
20	Loxley Global Co., Ltd. (L Global)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Holding company	99	51
21	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



No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of share-holding
22	Loxley Trading Company Limited (Lox Trading)	No. 102 Loxley Building, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Sale of consumer products	50	50
23	Societe Commerciale Lao (SCL)	Unit 36, Bon Dongpalad, Alley 10 Chanthabouly Disttict, Vieutiane, LAO. P.D.R.	Trading in Lao People's Democratic Republic	4,135 million Kip	50
24	Lego 99 Co., Ltd. (Lego 99) (Formerly L Solar 2 Co., Ltd. (L Solar 2))	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Solar power plant business	15	50

#### Indirect subsidiaries

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of share-holding
25	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
26	Thai Gateway Company Limited (Thai Gateway)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Trading of telecommunication equipment	20	99
27	Professional Computer Company Limited (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
28	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
29	Loxley Simulation Technology Co., Ltd. (LOXSIM)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Import, export and distribution, virtual learning services and system development	40	99



No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of share-holding
30	LWSN Company Limited (LWSN)	No. 2 Soi Phaholyothin 19, Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok	Service of telecommunication, IT systems and submarine cable network	1	85
31	LWTN Company Limited (LWTN)	No. 2 Soi Phaholyothin 19, Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok	Service of telecommunication, IT systems and fiber optic network	1	85
32	Phetkasem Green Holding Co., Ltd. (Phetkasem)	No. 39/48 Soi Thawiwatthana 9 Thawiwatthana Sub-district, Thawiwatthana District, Bangkok	Manufacturing operations compressor, steam generator, pressure tank, filter, conveyor, installation of steam generator, pressure tank, filter and conveyor belt.	60	50

## Direct associates

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of share-holding
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	Parts Zone (Thailand) Co., Ltd. (Parts Zone)	No. 128 Seri Thai Road, Khan Na Yao Subdistrict, Khan Na Yao District, Bangkok	Trading in automotive parts and equipment	56	46
3	DM-Loxley Co., Ltd. (DM Loxley)	Ban Phonphanao, Xaysettha District, Vientiane Capital, Lao PDR	Providing water supply and distribution services	40	45
4	Thai Fiber Optics Company Limited (TFOC)	No. 233 Moo 6, Soi Watchangrueng, Suksawat Road, Naiklongbangplakot, Prasamutchedi, Samutprakarn	Manufacture of fiber optic	100	40
5	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 share-holding
6	Thanthiya Technology Co., Ltd. (Thanthiya)	No. 288/54-56 Phaholyothin Road, Anusaowaree Subdistrict, Bangkheng District, Bangkok	Manufacture and sale of water and waste water treatment equipment and systems	11	30
7	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
8	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
9	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
10	NS BlueScope Lysaght (Thailand) Limited (NSBLT)	No. 16, Soi Phahonyothin 96, Prachathipat Subdistrict, Thanyaburi District, Patumthani	Manufacture and sale of steel roofing	600	20
11	BlueScope Building (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 share-holding
12	Postique Co., Ltd. (Postique)	No. 333/3 Soi 19, Pracha Uthit Road, Sam Sen Nok Subdistrict, Huai Kwang District, Bangkok	Provide advanced techniques for advertising and film making services	20	50
13	K 2 Venture Capital Co., Ltd. (K 2)	No. 102/99 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Venture capital	100	50
14	TLK 2 Management Co., Ltd. (TLK 2)	No. 349 SJ Infinite One Business Complex, Room No. 1902, 19 <sup>th</sup> Floor, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok	Investment by shareholding in the company which operation in Technology business	1	50



No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of share-holding
15	BP-Castrol (Thailand) Limited (BP Castrol)	No.3 ,23 <sup>rd</sup> floor, Rajanakarn Building, South-Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok	Sale of Castrol and BP lubricant	49	40
16	Wisdom Vast Company Limited (Wisdom)	No. 103 Moo 2, Bangkhungong Subdistrict, Bang Kruai District, Nonthaburi	Mobile and innovative solution provider	10	30
17	MOCAP Limited (MOCAP)	11 <sup>th</sup> Floor, Siripinyo Building, No. 475 Sri-Ayudthaya Road, Thanon Phayathai Subdistrict, Rajthevee District, Bangkok	Outsourcing contact center	61	25

### Direct joint ventures

No.	Name of companies	Address	Type of business	Registered Capital (Million Baht)	% of share-holding
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 share-holding
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	Loxtrade Specialty Innovation Co., Ltd. (LTSI)	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Manufacture and distribute supplementary foods for and related products	5	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.

Members of the Company's Board of Directors are:

No.	Name	Position
1.	Mr. Dhongchai Lamsam* <sup>1</sup>	Board Chairman, Chairman of the Executive Board and Member of the Nominating & Remuneration Committee
2.	Dr. Harit Sutabutr	Independent Director and Chairman of the Audit Committee
3.	Dr. Supavud Saicheua	Independent Director
4.	Mr. Charoon Chinalai	Independent Director, Member of the Audit Committee, and Chairman of the Nominating & Remuneration Committee
5.	Mr. Joti Bhokavanij	Independent Director and Member of the Audit Committee
6.	General Vichit Yathip	Independent Director
7.	Professor Rawat Chamchalerm	Independent Director
8.	Mr. Suebtrakul Soonthornthum* <sup>2</sup>	Vice Chairman of the Board, Vice Chairman of the Executive Board and Member of the Nominating & Remuneration committee
9.	Dr. Jingjai Hanchanlash	Director and Vice Chairman of the Executive Board
10.	Mr. Poomchai Lamsam	Director
11.	Mr. Vasant Chatikavanij	Director and Vice Chairman of the Executive Board
12.	Mr. Suraphand Bhasitnirand	Director, Vice Chairman of the Executive Board and Member of the Nominating & Remuneration Committee
13.	Dr. Sompop Chareonkul	Director and Vice Chairman of the Executive Board
14.	Mr. Suroj Lamsam	Director and President
15.	Mr. Chalermchoke Lamsam	Director and Managing Director
16.	Mr. Krisada Lamsam* <sup>3</sup>	Director
17.	Mr. Petch Wanglee* <sup>4</sup>	Director

Remarks:

\*1 Mr. Dhongchai Lamsam has been appointed as Board Chairman, with effect from 24 February 2018.

\*2 Mr. Suebtrakul Soonthornthum has been appointed as Vice Chairman of the Board, with effect from 24 February 2018.

\*3 Mr. Krisada Lamsam has been appointed as a director, with effect from 24 February 2018.

\*4 Mr. Petch Wanglee has been appointed as a director, with effect from 24 February 2018.

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. Dhongchai Lamsam, Mr. Poomchai Lamsam, Mr. Vasant Chatikavanij, Mr. Suroj Lamsam, Mr. Chalermchoke Lamsam, Mr. Jingjai Hanchanlash, Mr. Krisada Lamsam, Mr. Petch Wanglee 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. Suebtrakul Soonthornthum, or Mr. Suraphand Bhasitnirandr, or Mr. Sompop Chareonkul.

### Independent Directors

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

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

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



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

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

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

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

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

### **Meetings of the Board of Directors**

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



Meetings of the Board of Directors and Sub-Committees in 2017:

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

## The Executive Board

Members of the Executive Board are:

No.	Name	Position
1	Mr. Dhongchai Lamsam	Chairman of the Executive Board
2	Mr. Suebtrakul Soonthornthum	Vice Chairman of the Executive Board
3	Dr. Jingjai Hanchanlash	Vice Chairman of the Executive Board
4	Mr. Vasant Chatikavanij	Vice Chairman of the Executive Board
5	Mr. Suraphand Bhasitnirandr	Vice Chairman of the Executive Board
6	Dr. Sompop Chareonkul	Vice Chairman of the Executive Board
7	Mr. Suroj Lamsam	President
8	Mr. Chalermchoke Lamsam	Managing Director



No.	Name	Position
9	Mr. Supat Karachalkul	First Executive Vice President
10	Mrs. Kosoom Sinphurmsukskul	First Executive Vice President
11	Mr. Saknarong Saengsangapong	First Executive Vice President
12	Mr. Thongyai Chanthanawan*	First Executive Vice President
13	Mr. Karn Thongyai	First Executive Vice President

Remarks: \*Mr. Thongyai Chanthanawan was retired on 31 December 2017.

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

1. Determine Business Plans, both for the long and short-term, strategies, budgets and core management structures for business operations and various management authorities as recommended by the Management Board to ensure that they are in line with the Company's Vision, Mission and Sustainable Growth before submitting them to the Company's Board of Directors for approval.
2. Check and follow up on performance of the Management Board to ensure that they are in compliance with the proposed Business Plans. Provide support for the Management Board's income-generating work as well as monitoring operating costs to ensure effective and efficient implementation of Business Plans.
3. With the Chairman of the Executive Board's authorized signature, consider matters concerning recruitment, appointment, employment, transfer, discharge or job swab, suspension and termination as well as determining remuneration including expenses and facilities for employees from the levels of Vice President upwards including directors of affiliated companies.
4. With the power to approve disbursements of expenses or extension of credit, investment, exploitation for opportunities, new business undertakings, purchase/sale of Company's fixed assets, procurement, participation in tenders, purchase of goods, execution of contracts or any juristic acts as well as undertaking the Company's various operations which are normal conduct of businesses or in relation to its normal course of operations pursuant to the Company's objectives, as follows:
  - 4.1 Participate in a tender for a project, execute any contract or juristic act in connection with the Company's businesses or in relation to the Company's normal course of business within a line not exceeding Baht 6,000 million for each project or each tender. And, the Chairman of the Executive Board shall have the power to approve a line of not more than Baht 500 million.
  - 4.2 Application for credit facilities in a variety of forms or for an increased or extended line of such facilities with every bank or financial institution for opening or closure of accounts-these matters shall be approved by the Executive Director and the CFO.
  - 4.3 Borrowing, lending, provision of guarantee or creating any binding obligations on the Company with any person or subsidiary, or associated company or other legal entities that are not banks or financial institutions including making investment, joint ventures, undertaking new business venture within a line not exceeding Baht 50 million each time. Compliance, however, shall be made pursuant to the Stock Exchange's rules governing acquisition and/or disposal of assets as well as relevant laws and shall also be reported to the Company's Board of Directors at its next meeting that follows.



4.4 Chairman of the Executive Board shall be authorized to approve borrowings, lendings, provision of guarantee or creation of any binding obligations on the Company with any person or subsidiary, or associated company or other legal entities that are not banks or financial institutions including investment, joint ventures, undertaking of new business venture within a line not exceeding Baht 10 million each time.

4.5 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.

5. 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.
6. The Executive Board may sub-assign the authority to the Chairman of the Executive Board, any executive or individual to take action on any one or several matters as it deems fit which, however, shall not be involved with an approval of an inter-related transaction, an issue which may be one with conflict of interests or a transaction in which the Executive Board is a party with vested interest under criteria defined by a regulatory authority unless such is an issue that is in line with the policy and criteria already approved by the Company's Board of Directors.
7. 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.

## The Management Board

Members of the Management Board are:

No.	Name	Position
1	Mr. Suroj Lamsam	President and Chairman of the Management Board
2	Mr. Chalermchoke Lamsam	Managing Director
3	Mr. Supat Karachalkul	First Executive Vice President
4	Mr. Saknarong Saengsangapong	First Executive Vice President
5	Mr. Thongyai Chanthanawan*	First Executive Vice President
6	Mr. Karn Thongyai	First Executive Vice President
7	Mr. Pattara Pojanapanich	Executive Vice President
8	Mr. Nimit Prasertsuk	Executive Vice President
9	Mr. Kittichai Raktakanit	Executive Vice President
10	Mr. Nattapon Dejvitak	Executive Vice President
11	Dr. Dawarit Tansuphasiri	Executive Vice President

Remarks: \*Mr. Thongyai Chanthanawan was retired on 31 December 2017.

Secretary to the Management Board is Mr. Bongkam Jiraboonsri.



### Scope of Authority and Responsibilities of the Management Board

1. To submit Business Plans, both long- and short-term, strategies, budgets and management structures of business units and work units under the jurisdiction of the Management Board which shall be in line with the Company's Vision, Mission and Sustainable Growth, to the Company's Executive Board and Board of Directors for their respective approval.
2. Conduct business operations and income-generating activities pursuant to the Company's policy and Business Plans that have been approved by the Board as well as controlling operating costs to ensure effective and efficient implementation of operations by taking into account risk management factors for business operations to ensure that they are maintained at appropriate levels, and carry out work as assigned by the Executive Board or the Board of Directors.
3. With the President's authorized signature, consider matters concerning recruitment, appointment, employment, transfer, discharge or job swab, suspension and termination as well as determining remuneration including expenses and facilities for employees from the levels of Assistant Vice President downwards.
4. With the power to approve procurement, participation in tenders, purchase of goods, execution of contracts or any juristic acts as well as undertaking the Company's various operations which are normal conduct of businesses or in relation to its normal course of operations pursuant to the Company's objectives, as follows:
  - 4.1 Participate in a tender for a project, execute any contract or juristic act in connection with the Company's businesses or in relation to the Company's normal course of business within a line not exceeding Baht 3,000 million for each project or each tender.
  - 4.2 Borrowing, lending, provision of guarantee or creating any binding obligations on the Company with any person or subsidiary, or associated company or other legal entities that are not banks or financial institutions including making investment, joint ventures, undertaking new business venture within a line not exceeding Baht 30 million each time. Compliance, however, shall be made pursuant to the Stock Exchange's rules governing acquisition and/or disposal of assets as well as relevant laws and shall also be reported to the Company's Board of Directors at its next meeting that follows.
  - 4.3 In case that specific details are clearly stated in business plan or budget already approved by the Board of Directors, the Management Board can take action as allowed by the Board of Directors' resolution.
5. For transactions with related persons which may be considered as related parties' transaction, the Management Board has to propose to the Executive Board prior 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.

### Management Authorization to the President

In reference to the Company's Board of Directors Meeting no.5/2559 held on 14 November 2016. The Board approved the President's scope of authority and responsibilities as follows:

1. Monitoring the performance of work units under the Management Board's jurisdiction to ensure their implementation pursuant to the requirements set by the Company's Board of Directors.
2. Conduct the operations and approve a variety of issues in the normal course of the Company's businesses to ensure uninterrupted continuity.



3. Duly authorized to look after, manage, undertake and carry out regular work in the normal course of business in the Company's interest and to ensure that they are in compliance with Company's Objectives and Charter as well as rules, resolutions, policies, plans and budgets that have been duly authorized or approved by the Company's Executive Board or Board of Directors or which have been assigned by either of them to be performed under the framework of the relevant laws.
4. With the power to approve procurement, participation in tenders, purchase of goods, execution of contracts or any juristic acts as well as undertaking the Company's various operations which are normal conduct of businesses or in relation to its normal course of operations pursuant to the Company's objectives, as follows:
  - 4.1 Participate in a tender for a project, execute any contract or juristic act in connection with the Company's businesses or in relation to the Company's normal course of business within a line not exceeding Baht 300 million for each project or each tender.
  - 4.2 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.
5. For transactions with related persons which may be considered as related parties' transaction, the President has to propose to the Executive Board prior 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.

The Audit Committee of Loxley Public Company Limited consists of:

No.	Name	Position
1	Dr. Harit Sutabutr	Chairman of the 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 & Remuneration Committee

The Nominating & Remuneration Committee consists of:

No.	Name	Position
1	Mr. Charoon Chinalai	Chairman of the Nominating & Remuneration Committee
2	Mr. Dhongchai Lamsam	Member
3	Mr. Suebtrakul Soonthornthum	Member
4	Mr. Suraphand Bhasitnirandr	Member
5	Dr. Sompop Chareonkul	Member

Remarks: \* Dr. Sompop Chareonkul was appointed to be the Member of the Nominating & Remuneration Committee on 27 February 2017.

Secretary to the Nominating & Remuneration Committee is Dr. Dawarit Tansuphasiri.

### Scope of Authority and Responsibilities of the Nominating & 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 17 members of the Company's Board of Directors was Baht 16,100,000. (constituting meeting allowances and remuneration\*)

1.2 Total remuneration for the Audit Committee and Nominating & Remuneration Committee members was Baht 2,160,000. (constituting meeting allowances)

1.3 Total remuneration for 13 Executive Board members was Baht 54,900,000 (constituting salaries, performance pay, and other benefits).

*Remarks\* The 2017 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 16.10 million (May'17-Apr'18). 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 & 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. Supavud Saicheua	600,000	300,000	-	-
6. Mr. Charoon Chinalai	600,000	300,000	240,000	360,000
7. Mr. Joti Bhokavanij	600,000	300,000	240,000	-
8. General Vichit Yathip	600,000	300,000	-	-
9. Professor Rawat Chamchalerm	600,000	300,000	-	-
10. Mr. Suebtrakul Soonthornthum	600,000	300,000	-	240,000
11. Dr. Jingjai Hanchanlash	600,000	300,000	-	-
12. Mr. Poomchai Lamsam	600,000	300,000	-	-
13. Mr. Vasant Chatikavanij	600,000	300,000	-	-
14. Mr. Suraphand Bhasitnirandr	600,000	300,000	-	240,000
15. Dr. Sompop Chareonkul	600,000	300,000	-	240,000
16. Mr. Suroj Lamsam	600,000	300,000	-	-
17. Mr. Chalermchoke Lamsam	600,000	300,000	-	-
<b>Total</b>	<b>10,800,000</b>	<b>5,300,000</b>	<b>840,000</b>	<b>1,320,000</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 2017, the Company has performed in line with all 5 sectors governing Good Corporate Governance, as follows:

## 1. Right of Shareholders

The Company resolved to call an Annual General Meeting of Shareholders for the Year 2017 on 27 April 2017 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, stakeholding, etc.
  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

- Determining compensation structures in line with the Company's operating results both for the short-term, such as profit-generating capacity for each year and for the long-term, such as compensation made on the basis of market rates, knowledge, abilities, responsibility and performance pursuant to the KPI of each employee and of his/her work unit.
- 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. Safety campaigns promoted through safety warning signs put up inside the building and messages sent out to every employee, for example, on how to use electrical appliances correctly and safely and on measures of cleanliness and hygiene, etc.
- 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 "We' re LOXLEY", a company's online 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. Provide fair bidding while thoroughly providing information details and conditions in written paper with no exception.
- Fair agreements prepared and compliance of agreements executed with business partners and creditors.
- Treat creditors with fairness and repay debts as scheduled. Look after collaterals and other contractual terms to ensure correct and complete compliance in line with good corporate governance. Where action is foreseen to be impossible or impractical, prompt negotiations must be made with business partners/creditors to find remedial action together and forestall damages.

### 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 eco-friendly business operations by giving importance to increasing selection of eco-friendly products and services such as setting up alternative energy business group comprising electricity businesses, pollution-free electric buses and so forth.
- Encourage executives and employees to effectively optimize the Company's assets and natural resources, such as turning 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.
- Formulating policies with respect to human rights by encouraging its personnel to respect human rights and basic freedom of individuals with adherence to international human rights rules as well as not giving support to activities which are in contravention of the law and international human right principles. Avoid any action which will be unfair to employees and give employees the chance to file their complaints if they suffer hardships or unfair treatment to ensure proper remedy.



## 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 2017.
5. The Company shall disclose the Directors and Management's Remunerations of 2017 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. 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 2017, 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 2017 included

- Opportunity Day by SET
  - 1) On 14 March 2017: To disclose the operating performance of 2016 and 2017's operating plan as well as the direction of 2017
  - 2) On 17 August 2017: To disclose the operating performance for the first six months of 2017 and the direction of 2017
- Providing a quarterly operating performance analysis to distribute to the analysts who issue a stock coverage so that the sufficient information could be sent to the prospective investors
- Analyst meeting
- domestic roadshow to meet with the investors, brokers and the analysts from both Thailand and overseas countries
- Publications to report the operating performance



In 2018, 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 the Company's operation and 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. The Company discloses the contact information on the website as well.

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 (%)
		31 Dec 2016	31 Dec 2017		
1	Mr. Pairote Lamsam	37,368,481	37,368,481	-	1.65
	spouse and underage children	-	-	-	-
2	Mr. Sukit Wanglee	4,892,832	4,892,832	-	0.22
	spouse and underage children	-	-	-	-
3	Mr. Dhongchai Lamsam	26,732,044	26,732,044	-	1.18
	spouse and underage children	1,168,513	1,168,513	-	0.05
4	Dr. Harit Sutabutr	55,125	55,125	-	0.002
	spouse and underage children	-	-	-	-
5	Dr. Supavud Saicheua	-	-	-	-
	spouse and underage children	-	-	-	-
6	Mr. Charoon Chinalai	-	-	-	-
	spouse and underage children	-	-	-	-
7	Mr. Joti Bhokavanij	-	-	-	-
	spouse and underage children	-	-	-	-
8	Gen. Vichit Yathip	-	-	-	-
	spouse and underage children	-	-	-	-
9	Professor Rawat Chamchalerm	-	-	-	-
	spouse and underage children	-	-	-	-
10	Mr. Suebtrakul Soonthornthum	-	-	-	-
	spouse and underage children	-	-	-	-
11	Dr. Jingjai Hanchanlash	630,000	630,000	-	0.03
	spouse and underage children	2,621,850	2,621,850	-	0.12
12	Mr. Poomchai Lamsam	1,050,000	1,050,000	-	0.05
	spouse and underage children	58,012	58,012	-	0.002
13	Mr. Vasant Chatikavanij	2,242,478	2,242,478	-	0.10
	spouse and underage children	-	-	-	-



No.	Name	Number of Shares		Number of Shares Increased (Decreased)	Percentage of Shareholding (%)
		31 Dec 2016	31 Dec 2017		
14	Mr. Suraphand Bhasitnirandr	-	-	-	-
	spouse and underage children	-	-	-	-
15	Dr. Sompop Chareonkul	720,000	720,000	-	0.03
	spouse and underage children	-	-	-	-
16	Mr. Suroj Lamsam	1,670,707	1,699,795	29,088	0.07
	spouse and underage children	-	-	-	-
17	Mr. Chalermchoke Lamsam	9,876,688	9,876,688	-	0.44
	spouse and underage children	3,920,437	3,920,437	-	0.17
18	Mr. Supat Karachalkul	-	-	-	-
	spouse and underage children	-	-	-	-
19	Mrs. Kosoom Sinphurmsukskul	-	-	-	-
	spouse and underage children	5,250	5,250	-	0.000
20	Mr. Saknarong Saengsangapong	-	-	-	-
	spouse and underage children	-	-	-	-
21	Mr. Thongyai Chanthanawan	-	-	-	-
	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
	spouse and underage children	25,200	25,200	-	0.001

## 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

In 2017, the Board of Directors has a total of 17 members, consisting of 8 executive directors, 9 non-executive directors, and 6 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 (4 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.

## 5.2 Sub Committee

To achieve the ultimate corporate objectives, the committee should have specific skill that suitable for the Company business, vision, and help the Board for consideration in significant matters for best benefit of the Company. Nowadays, with clear separate roles and responsibilities, the Sub Committee includes the Executive Board which, in 2017, was divided into 2 committees-the Executive Board and Management Board, Audit Committees, Nominating and Remuneration Committee. (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 Company assigns the Nominating and Remuneration Committee 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.

Evaluation process consists of the Secretary of the Nominating & Remuneration Committee sending performance evaluation forms on the Board and the President to every member of the Board member to make their annual performance evaluation. The evaluation forms will then be sent back to the Secretary of the Nominating & Remuneration Committee who will collate the scores and make a summary before sending the results to the Nominating & Remuneration Committee for their consideration and further submission to the Company's Board of Directors for action.

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 87.5%.

The board of directors also determined evaluation on the president (Mr. Suroj Lamsam) to compare work performance according to the guidelines recommended by the SET; the result was approximately 88.1%. 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 2017, members of the executive board attended the development and training courses as follows:

Name	Course
Mr. Supat Karachalkul	- Strategic CFO In Capital Markets Program 5, The Stock Exchange of Thailand
Mr. Saknarong Saengsangapong	- The Programme for Senior Executives on Justice Administration (B.Y.S.22), National Justice Academy Office of The Judiciary
Mr. Karn Thongyai	- Capital Market Academy 2017

## 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. Pursuant to the Office of the National Counter Corruption Commission's encouragement to legal entities in the private sector to prepare "measures of appropriate internal control to prevent bribery being offered to state officials" and have them declared effective and in force in their companies to let every employee know and collaborate in work by not giving or accepting bribes. The Company is now in the process of preparing such measures to ensure that they are adequate and appropriate in practice.



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. Since 2015, the Company 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 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 2017, it had 669 permanent staff, and 122 contract staff, divided by groups as follows:

Segment	Total (Personnel)
IT Business Group	7
Technology Business Group	43
Projects Business Group	72
Construction Business Group	88
Infrastructure Business Group	112
Alternative Energy Business Group	34
Trading Business Group	85
International Trade Business Group	36
Services Business Group	19
Office of the President	92
Corporate Finance	96
Corporate Human Capital	85
Internal Audit Department	7
Corporate Communication	15
<b>Total Employees</b>	<b>791</b>

Total Personnel Remuneration of Company staff from January to December 2017 in form of salaries, wages, overtime, and bonus was Baht 537 million.

## Loxley's Staff Welfare and Benefits

The Company by Human Resources Department 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.

## Policies on Human Resources Development

Action were taken continuously by the Human Resources Department to develop the potential, knowledge and ability of employees at all levels befitting work in their respective positions and reflective of business requirements which will get them well-prepared for business expansion. The Department is, therefore, intent in making every efforts to develop personnel at all levels and in all professional lines through integrated development of skills, knowledge and capabilities with professional career path designed for those who will become future successors in their particular line of business and for them to be imbued, at the same time,



with the Corporate Culture and Core Value in line with the Company's strategies and direction for its operations. HR also gives advice or acts as HR Business Partner to the Strategic Business Group (SBG) under the re-structure so that they can participate in determining strategic plans and ensuring implementation in line with the Company's Mission and Vision so as to become the Change Agent in support of digitalization and new innovations with connectivity to outside factors for its HR management in addition to other relevant internal factors. Thus, the Department must be ready to conduct its work with greater professionalism in order to get its personnel ready to step up to meet global changes and ensure that the organization strides forward into the future with confidence and strength.

Pursuant to the Company's vision and strategies, the Company has set policies to build Corporate Culture imbued with the right spirit and core value, which is one of human resources management strategies and base on HR Philosophy, the Company is intent in helping employees achieve Happiness, Success, Security and Wealth in the course of their employ by emphasizing the 4 Concepts, as follows:

1. Acquiring Happiness.
2. Development of human potential and working teams.
3. Building up Efficient Employees.
4. Building up the Future.

**1. Acquiring happiness:** in order to achieve increased love and loyalty for the organization and to promote work in contentment, the Department has conducted an Engagement Survey so as to collate information from the work force for analysis and formulate activities to promote employee participation and good relationships among employees and organization.

**2. Development of human potential and working teams:** Emphasis is given by HR to create the Employee Value Proposition (EVP) which would be more attractive and allow the new generation to see long-term plans which will not be limited only to remunerative aspects that are already available in other organizations, but will also let them see the challenge and good working experiences with opportunities awaiting them in this organization. To ensure recruitment and employment of qualified and capable personnel who fit in with the Corporate Culture, the Department has screened students from top-tier educational institutions and from the technical/vocational line particularly technicians to participate in a bipartisan project in which they will receive training and then accepted for employment with the company. Moreover, there are HR Visits to various departments for discussion sessions to find ways and formulate plans for care and development of employees to ensure that they stay with the organization for a long time in contentment and efficiency.

**3. Building up efficient employees:** with emphasis on development of training and continuous learning and on creating leaders in various lines of work, particularly executives at the elementary, intermediate and upper levels. Averaged training provided in 2017 came to 12 hours per person per annum. Major courses of training arranged by the Department for its executives and employees were as follows:

- Executive Development Program: to reinforce leadership in executives such as the Higher Certificate course on Politics and Government in the Democratic System, from King Prajadhipok's Institute, the Top Management courses, from the Capital Market Academy (CMA) and the National Defence College of Thailand (NDC), and Top Executive Program in Commerce and Trade (TEPCoT) from the Commerce Academy, etc.
- Strengths Finder & Building Coaching Skills: to enhance strengths of executives in order to build their coaching and problem solving skills. The development of coaching skills shall release potentials of both executives and staffs for the organization's effectiveness.



- Team Quality Management (TQM#8): to enhance management skills for middle executives at the levels of managers or equivalents in the areas of management, leadership and creating shared value.
- Leadership Development Program #2: development of coaching skills with 18 modules for managers or equivalents to reinforce their coaching skills for the benefit of their teams in enhancing their skills and performance.
- Project Management Program: with efficiency which provides training at several levels such as fundamental, managerial and executives handled by speakers from PMP Thailand.
- Professional Supervisor Skills Program: for supervisory levels to build up their skills for team management.

**4. Building up the Future:** to plan for development of personnel with the potential to be promoted as successors in various positions in the future, selections and plans were made by HR and Strategic Business Groups to develop Young Talents and Successors in an objective manner.

The Company's policy for 2018 is to re-structure its business framework into 5 Strategic Business Groups to increase competitiveness. HR, therefore, is considered one of such work units to help build, develop and provide support to these Business Groups by stepping into the role of HR Business Partner to together formulate HR management plans in line with the Business Strategic Plan by integrating Business Plans into its HR Plan. For example, HR plans will be formulated appropriately in line with the particular business line, multi-skilled teams developed to support various activities with plans in place to maintain its personnel through the imbued sense of corporate loyalty. Other than these, plans for digitalization are also considered of importance in order to welcome the Company into Thailand's 4.0 era.

It is, therefore, the Department's policy to activate work towards digital transformation through the HRIS: Coach system which has been in use since 2015. In 2018, emphasis will be made on digitalized performance evaluation and topped off with the KPI system which will lead to the remunerative system based on Performance Bonus. Moreover, developments had been made by the Department on E-learning system which is regarded as an enhancement of efficiency and efficacy for employee's performance.

## 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.

### Performance follow-up/monitor

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 2017, 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

In 2017, there was 1 case of work-related accident reported without materialization of any walk-outs or work-related casualties.



## INFORMATION OF COMPANY EXECUTIVE

1.	Mr. Pairote Lamsam Chairman	Age 84, Nationality-Thai 1 April 1993-17 January 2018
	Education/Training	- B.A. (Commerce) University of Manchester, England - Director Accreditation Program 17/2004, Thai Institute of Directors Association
	Expertise	Management
	Listed Companies (2)	1993-Jan 2018 - Chairman, Loxley Plc / Technology and trading business 2000-Jan 2018 - Advisor to the Board, Kasikorn Bank Plc / Banking Service
	Non-Listed Companies/ Other Business (11)	<u>Direct Subsidiaries (3)</u> 2010-Jan 2018 - Chairman, Loxley Joint and Hold Co., Ltd. / Holding company 1995-Jan 2018 - Chairman, Loxley Trading Co., Ltd. / Sale of consumer products 1989-Jan 2018 - Chairman, Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services  <u>Direct Associates (3)</u> 1995-Jan 2018 - Director, NS BlueScope (Thailand) Limited / Manufacture and sale of cold rolled steel 1995- Jan 2018 - Director, NS BlueScope Lysaght (Thailand) Limited / Manufacture and sale of steel roofing 1991- Jan 2018 - Director, BP-Castrol (Thailand) Limited / Sale of Castrol and BP lubricant  <u>Other (5)</u> 1990-Jan 2018 - Chairman, Ekpavee Co., Ltd. / Holding company 1981-Jan 2018 - Chairman, Loxley International Co., Ltd. / Provide maintenance services for computer, communication systems and project consultant 1972-Jan 2018 - Director, Zin Suapah Co., Ltd. / Parking service 1969-Jan 2018 - Chairman, Siam Sanitary Ware Co., Ltd. / Sale of sanitary wares 1960-Jan 2018 - Managing Director, Lamsam Estate Co., Ltd. / Holding company
	Work Experience for the Past 5 years	-
	Shareholding of Loxley	- Own: 37,368,481 shares or 1.65% - Spouse or Underage Children: None
	Family Relationship among Executives	Brother of Mr. Dhongchai Lamsam and Mr. Poomchai Lamsam, Brother-in-Law of Dr. Jingjai Hanchanlath, Uncle of Mr. Vasant Chatikavanij, Mr. Suroj Lamsam, and Mr. Chalermchoke Lamsam
2.	Mr. Sukit Wanglee Honorary Chairman	Age 87, Nationality-Thai Since 24 February 2018
	Education/Training	- Mechanical Engineering, Leicester College, England - Director Accreditation Program 12/2004, Thai Institute of Directors Association
	Expertise	Management and Engineering
	Listed Companies (2)	2010-present - Chairman, Thai Metal Drum Manufacturing Plc / Producer and supplier of steel drum containers 1993-Feb. 2018 - Vice Chairman, Loxley Plc / Technology and trading business
	Non-Listed Companies/ Other Business (3)	1996-present - Chairman, Poonphol Co., Ltd. / Holding company and trader of agricultural products 1990-present - Director, Ekpavee Co., Ltd. / Holding company 1984-present - Director, Siam Sanitary Ware Co., Ltd. / Sale of sanitary ware
	Work Experience for the Past 5 years	2003-2017 - Chairman, Rojana Industrial Park Plc / Property development
	Shareholding in Loxley	- Own: 4,892,832 shares or 0.22% - Spouse or Underage Children: None
	Family Relationship among Executives	None



3.	Mr. Dhongchai Lamsam		Age 71, Nationality-Thai
	- Board Chairman		- Since 24 February 2018
	- Chairman of the Executive Board		- Since 1 January 2017
	- Nominating & Remuneration Committee Member		- Since 14 November 2003
	<b>Education/Training</b>		<ul style="list-style-type: none"> <li>- Honorary PhD Degree, Business Administration, Kasem Bundit University</li> <li>- Bachelor of Science (Honors), Chemical Technology, Chulalongkorn University</li> <li>- M.Sc. Industrial Engineering Illinois Institute of Technology, U.S.A.</li> <li>- Advanced Management Program, Harvard Business School, U.S.A.</li> <li>- Director Accreditation Program 12/2004, Thai Institute of Directors Association</li> </ul>
	<b>Expertise</b>		Management and Science
	<b>Listed Companies (1)</b>		2017-present - Chairman of the Executive Board, Loxley Plc / Technology and trading business 2003-present - Nominating & Remuneration Committee, Loxley Plc / Technology and trading business
	<b>Non-Listed Companies/ Other Business (15)</b>		<u>Direct Subsidiaries (7)</u> 2013-present - Chairman, Loxley Wireless Plc / Sale and service of telecommunication and information technology systems 2012-present - Chairman, L Food Solutions Co., Ltd. / Food service 2010-present - Director, Loxley Joint and Hold Co., Ltd. / Holding Company 2006-present - Chairman, Loxley Global Co., Ltd. / Holding Company 2004-present - Director, Green Natural Product Co., Ltd. / Manufacture and distribute citrus essential oil 1989-present - Director, Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services 1977-present - Director, Loxley Trading Co., Ltd. / Sale of consumer products <u>Direct Associates (3)</u> 2003-present - Director, Loxley GTECH Technology Co., Ltd. / Sale and service of information technology and online lottery sale system 1996-present - Director, Thai Fiber Optics Co., Ltd. / Manufacture of fiber optic 1995-present - Director, NS BlueScope (Thailand) Limited / Manufacture and sale of cold rolled steel <u>Indirect Associates (1)</u> 1994-present - Director, BP-Castrol (Thailand) limited / Sale of Castrol and BP lubricant <u>Others (4)</u> 1990-present - Managing Director, Ekpavee Co., Ltd. / Holding Company 1981-present - President, Loxley International Co., Ltd. / Maintenance services for computer, communication systems and project consultant 1972-present - Director, Zin Suapah Co., Ltd. / Parking service 1960-present - Director, Lamsam Estate Co., Ltd. / Holding Company
	<b>Work Experience for the Past 5 years</b>		2005-2017 - Director, L-TAG Technologies Co., Ltd. / Sale of construction materials and installation service of waste water treatment system and other sanitation 2006-2017 - Chairman, ASM Security Management Co., Ltd. / Security service 1995-2017 - Chairman, Data Mining Co., Ltd. / Service of information technology equipment and computer systems 2000-2016 - Director, Law Enforcement Technology Solutions Co., Ltd. / Design and installation services of security systems 1993-2016 - President, Loxley Plc / Technology and trading business
	<b>Shareholding in Loxley</b>		- Own: 26,732,044 shares or 1.18% - Spouse or Underage Children: 1,168,513 shares or 0.05%
	<b>Family Relationship among Executives</b>		Brother of Mr. Pairote Lamsam and Mr. Poomchai Lamsam, Brother-in-law of Dr. Jingjai Hanchanlash, Cousin of Mrs. Kosoom Sinphurmsukskul, Uncle of Mr. Vasant Chatikavanij and Mr. Suroj Lamsam, Father of Mr. Chalermchoke Lamsam



4.	Dr. Harit Sutabutr - Independent Director - Chairman of the Audit Committee	Age 81, Nationality-Thai - Since 1 April 1993 - Since 14 December 2008
Education/Training		- Ph.D. Mechanical Engineering, University of California, Berkeley - Director Accreditation Program 16/2004, Thai Institute of Directors Association
Expertise		Management and Engineering
Listed Companies (1)		1993-present - Independent Director, Loxley Plc / Technology and trading business 2008-present - Chairman of the Audit Committee, Loxley Plc / Technology and trading business
Non-Listed Companies/ Other Business (2)		2002-present - Senior Adviser to the President, National Science and Technology Development Agency / Government entity 1998-present - Vice Chairman of the University Council King Mongkut's University Technology Thonburi / University Council
Work Experience for the Past 5 years		-
Shareholding in Loxley		- Own: 55,125 shares or 0.002% - Spouse or Underage Children: None
Family Relationship among Executives		None
5.	Dr. Supavud Saicheua Independent Director	Age 61, Nationality-Thai Since 28 February 2007
Education/Training		- Ph.D. in Economics, University of Hawaii at Manoa, U.S.A. - M.A. in Economics, University of the Philippines (Diliman), Philippines - B.A. in Economics, Victoria University of Wellington, New Zealand - Director Accreditation Program 36/2005, Thai Institute of Directors Association
Expertise		Economics
Listed Companies (2)		2007-present - Independent Director, Loxley Plc / Technology and trading business 2005-present - Executive Director, Managing Director (Head of Research) Phatra Securities Plc / Securities services
Non-Listed Companies/ Other Business (3)		2017 - Expert Member of Investment Committee Government Pension Fund / Independent entity under the supervision of Ministry of Finance 2006-present - Sub-Committee, The National Economic and Social Development Board (NESDB) / Government entity 2006-present - Trustee, Kenan Institute Asia / Non-Profit organization
Work Experience for the Past 5 years		2013-2016 - Special Expert, Thailand Creative Economy Agency / Government entity 2012-2016 - Advisor of Investment Committee Government Pension Fund / Independent entity under the supervision of Ministry of Finance 2011-2014 - Commission Member, Office of the Police Commission / Government entity 2011-2013 - Committee, Strategic Committee for Reconstruction and Future Development / Government entity 2008-2011 - Investment Expert of Investment Committee Government Pension Fund / Independent entity under the supervision of Ministry of Finance
Shareholding in Loxley		- Own: None - Spouse or Underage Children: None
Family Relationship among Executives		None



6.	Mr. Charoon Chinalai	Age 79, Nationality-Thai
	- Independent Director	- Since 1 April 1993
	- Audit Committee Member	- Since 27 December 2001
	- Chairman of Nominating & Remuneration Committee	- Since 29 February 2012
	Education/Training	- Civil Engineering, King's College London University, England - Director Accreditation Program 12/2004, Thai Institute of Directors Association
	Expertise	Engineering
	Listed Companies (1)	1993-present - Independent Director, Loxley Plc / Technology and trading business 2001-present - Audit Committee, Loxley Plc / Technology and trading business 2012-present - Chairman of Nominating & Remuneration Committee, Loxley Plc / Technology and trading business
	Non-Listed Companies/ Other Business (2)	2002-present - Independent Director, NS BlueScope Lysaght (Thailand) Limited / Manufacture and sale of steel roofing 1992-present - Director, Parinda Plc. / Quarry concession and stone mill factory
Work Experience for the Past 5 years	1980-2016	- Director, Coffral-Thai Co., Ltd. / Construction equipment rental service
	1980-2016	- Director, EkThana Engineering Co., Ltd. / Rental of construction equipment
Shareholding in Loxley	- Own: None	- Spouse or Underage Children: None
Family Relationship among Executives	None	

7.	Mr. Joti Bhokavanij	Age 75, Nationality-Thai
	- Independent Director	- Since 30 April 2012
	- Audit Committee Member	- Since 20 June 2012
	Education/Training	- Fellow of the Association of Chartered Certified Accountants, England - Programme for Management Development, Harvard Business School, U.S.A. - Marketing Management Programme, Stanford University, Graduate School of Business, U.S.A. - Director Accreditation Program (DAP), Thai Institute of Directors Association - Chairman 2000, Thai Institute of Directors Association - Director Certification Program (DCP), Thai Institute of Directors Association - IOD National Director Conference 2012-Moving Corporate Governance Forward: Challenge for Thai Directors, Thai Institute of Directors Association - Monitoring the Quality of Financial Reporting (MFR), Thai Institute of Directors Association - Successful Formulation & Execution of Strategy (SFE), Thai Institute of Directors Association - How to Measure the Success of Corporate Strategy (HMS), Thai Institute of Directors Association - Monitoring Fraud Risk Management (MFM) - Monitoring the Internal Audit Function (MIA) - Monitoring the system of Internal Control and Risk Management (MIR)
	Expertise	Accounting
	Listed Companies (4)	Sep 2017-present - Independent Director and Chairman of the Audit Committee, True Corporation Plc / Information and communication services Present - Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Plc / Information and communication services 2013-present - Chairman, Bangkok Ranch Plc / Provide product from duck meat 2013-present - Independent Director and Audit Committee Member, Siam Makro Plc / Wholesale business 2012-present - Independent Director and Audit Committee Member, Loxley Plc / Technology and trading business
	Non-Listed Companies/ Other Business (1)	2009-present - Director, Thai Smart Card Co., Ltd. / Additional service to financial institutions
	Shareholding in Loxley	- Own: None
Family Relationship among Executives	None	



<b>Work Experience for the Past 5 years</b>		
1999-Sep 2017	-	Independent Director and Member of the Audit Committee, True Corporation Plc / Information and communication services
2002-2017	-	Director, Bangkok Inter Teletech Plc. / Holding Company
2002-2017	-	Director, True Move Co., Ltd. / Mobile phone operator and distributor
1999-2017	-	Director, Kingfisher Holdings Limited / Frozen seafood business
<b>Shareholding in Loxley</b>		
- Own: None	-	Spouse or Underage Children: None
<b>Family Relationship among Executives</b> None		

8.	<b>General Vichit Yathip</b> Independent Director	<b>Age 71, Nationality-Thai</b> <b>Since 17 December 2015</b>
<b>Education/Training</b>		
<ul style="list-style-type: none"><li>- Master of Public Administration, Bangkokthonburi University</li><li>- Command and General Staff College Class 60</li><li>- B.A., 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</li><li>- Diploma, National Defence College, The Joint State - Private Sector Course Class 9</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 (TEPCoT3)</li><li>- Advanced Political and Electoral Development Program (APED II), Political and Electoral Development Institute, Office of the Election Commission of Thailand</li><li>- Advanced Security Management Program Class 3</li><li>- Bhumipalung Phandin for Executive Class 1</li><li>- OIC Advanced Insurance Program Class 2</li><li>- Thammasat Leadership Program (TLP) Class 3</li><li>- Executive Program for Management Development (Mahanakorn 4)</li></ul>		
<b>Expertise</b>		
Political Science		
<b>Listed Companies (4)</b>		
2015-present	-	Independent Director, 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
2013-present	-	Independent Director and Member of the Audit Committee, Bangkok Airways Plc / Airline, airport services
2010-present	-	Independent Director and Member of the Audit Committee, Vanachai Group Plc / Manufacture of wood-based panels
<b>Non-Listed Companies/ Other Business (5)</b>		
Present	-	Chairman of Advisor, Tipco Group
Present	-	Graduate Vice President, Nakhon Phanom University Council
Present	-	Director, Thai-Myanmar Culture and Economy Association
2015-present	-	President, Thailand-Cambodia Friendship Association
2010-present	-	Director, Singasianerpao Co., Ltd.
<b>Work Experience for the Past 5 years</b>		
2012-2017	-	Chairman of the Board, Nippon Pack (Thailand) Plc. / Manufacture and sale of flexible plastic packaging
2016-2017	-	Member of National Reform Steering Assembly
2014-2016	-	Independent Director, MC Group Plc / Retailing business of apparels and Lifestyle
2014-2015	-	Member of National Reform Council
2009-2011	-	Chairman, MWA Board of Directors
<b>Shareholding in Loxley</b>		
- Own: None	-	Spouse or Underage Children: None
<b>Family Relationship among Executives</b> None		



9.	Professor Rawat Chamchalerms Independent Director		Age 73, Nationality-Thai Since 28 April 2016	
	Education/Training		- Master Degree of Laws, Chulalongkorn University - Bachelor of Laws, Thammasat University - Barrister at Law, Thai Bar Association - Diploma, National Defence College, The Joint State-Private Sector Course Class 1 - Director Certification Program/2008, Thai Institute of Directors Association - Director Accreditation Program/2004, Thai Institute of Directors Association - SMART GO/2004	
	Expertise		Law	
	Listed Companies (4)		2016-present - Independent Director, Loxley Plc / Technology and trading business 2011-present - Independent Director, Serm Suk Plc / Beverage manufacturer and distributor of both soft drinks and non-carbonated soft drinks 2010-present - Chairman of the Board, Sino-Thai Engineering and Construction Plc. / Engineering and construction 2010-present - Independent Director, True Corporation Plc / IT and communication business	
	Non-Listed Companies/ Other Business (16)		Present - Vice Chairman, Don Muang Tollway Plc. Present - Adjunct Professor, Faculty of Law, Chulalongkorn University Present - Adjunct Professor, Institute of Legal Education, Thai Bar Association Present - Adjunct Professor, Master Degree, Mahidol University Present - Adjunct Professor, Doctoral, Bangkokthonburi University Present - Adjunct Professor, Faculty of Law, Mae Fah Luang University Present - Lecturer in Justice Affairs, The Ministry of Justice Present - Lecturer in Department of Special Investigation, The Ministry of Justice Present - Lecturer in Institute of Administration Development, The Ministry of Interior of Thailand 2004-present - Special Lecturer, Office of the Attorney General 2004-present - Advisor, Athletic Association of Thailand Patron : His Majesty the King 2004-present - Expert Member in Law Special Committee in the Council of State 2002-present - Director, Thai National Food Commission 2001-present - Board of Directors on Disclosure of Information 2001-present - Board, Office of the Council of State 1995-present - Director, National Olympic Committee of Thailand	
	Work Experience for the Past 5 years		2007-2015 - Vice Chairman, Nakhonluang Leasing Factoring Plc. 2002-2014 - Expert Member of the Special Investigation Board, Department of Special Investigation 2002-2014 - Director, the Office of Board of Royal Thai Police 2002-2006 - Chairman and Independent Director, MCOT Plc. / Multi- media businesses 2003-2005 - Director, Krung Thai Bank Plc. / Banking Business 2003-2005 - Legal Counsel, Thai Airways International Plc. / Transportation & Logistics 2003-2004 - Attorney General, Office of the Attorney General	
	Shareholding in Loxley		- Own: None - Spouse or Underage Children: None	
	Family Relationship among Executives		None	



10.	<b>Mr. Suebtrakul Soonthornthum</b> - Vice Chairman of the Board - Vice Chairman of the Executive Board - Nominating & Remuneration Committee Member		<b>Age 75, Nationality-Thai</b> - Since 24 February 2018 - Since 1 January 2017 - Since 14 November 2003	
	<b>Education/Training</b>		- MBIM, Hon.Dlitt : Curtin University, Australia - PMD. Havard University, Graduate School of Business Administration-U.S.A. - National Defense College-Thailand - Director Accreditation Program 17/2004, Thai Institute of Directors Association	
	<b>Expertise</b>		Accounting and Management	
	<b>Listed Companies (4)</b>		2017-present - Vice Chairman of the Executive Board, Loxley Plc. / Technology and trading business 2016-present - Chairman of the Audit Committee, Phatra Leasing Plc. / Provide professional car leasing management and administration for juristic persons 2003-present - Nominating & Remuneration Committee, Loxley Plc. / Technology and trading business 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	
	<b>Non-Listed Companies/ Other Business (12)</b>		<u>Direct Subsidiaries (3)</u> 2010-present - Director, Loxley Joint and Hold Co., Ltd. / Holding company 1994-present - Director, Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services 1977-present - Director, Loxley Trading Co., Ltd. / Sale of consumer products <u>Direct Associates (5)</u> 2013-present - Director, BlueScope Buildings (Thailand) Limited / Provide pre-engineered building solution 1999-present - Director, BP-Castrol (Thailand) Limited / Sale of Castrol and BP lubricant 1992-present - Chairman, Foseco (Thailand) Limited / Manufacture and sale of chemicals for metal casting 1987-present - Director, NS BlueScope (Thailand) Limited / Manufacture and sale of cold rolled steel 1987-present - Director, NS BlueScope Lysaght (Thailand) Limited / Manufacture and sale of steel roofing <u>Other (4)</u> 2012-present - Independent Director, Muang Thai Life Assurance Plc. / Life insurance business 2004-present - Director, United Overseas Bank (Thai) Plc / Banking service 1990-present - Director, Ekpavee Co., Ltd. / Holding company 1972-present - Director, Zin Suapah Co., Ltd. / Parking Service	
	<b>Work Experience for the Past 5 years</b>		2006-2017 - Director, ASM Security Management Co., Ltd. / Security service 2004-2017 - Director, Data Mining Co., Ltd. / Service of information technology equipment and computer systems 1993-2016 - Senior Executive Vice President, Loxley Plc. / Technology and trading business 2006-2016 - Director, Loxley Global Co., Ltd. / Holding company 2003-2016 - Director, Loxley GTECH Technology Co., Ltd. / Sale and service of information technology and online lottery sale system	
	<b>Shareholding in Loxley</b>		- Own: None - Spouse or Underage Children: None	
	<b>Family Relationship among Executives</b>		None	



11.	Dr. Jingjai Hanchanlash	Age 75, Nationality-Thai
	- Director	- Since 15 May 2014
	- Vice Chairman of the Executive Board	- Since 1 January 2017
	<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Doctoral d'University de CAEN, France</li> <li>- Director Accreditation Program 1/2003, Thai Institute of Directors Association</li> <li>- Audit Committee Program 19/2007, Thai Institute of Directors Association</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> </ul>
	<b>Expertise</b>	Law
	<b>Listed Companies (5)</b>	2017-present - Vice Chairman of the Executive Board, Loxley Plc. / Technology and trading business 2015-present - Independent Director, Thai Wah Plc / Manufacture and distribute various products 2014-present - Director, Loxley Plc. / Technology and trading business 2014-present - Vice Chairman, Muang Thai Insurance Plc. / Insurance business 2001-present - Director and Executive Director, Asian Phytoceuticals Plc. / Manufacture of dietary supplements, cosmetics and personal care products developed from natural plant and botanical extracts 2000-present - Independent Director and Audit Committee, Laguna Resorts & Hotel Plc. / Hotel operations
	<b>Non-Listed Companies/ Other Business (13)</b>	<u>Direct Subsidiaries (2)</u> 2016-present - Director, Societe Commerciale Lao / Trading in Laos 2016-present - Director, Loxley Simulation Technology Co., Ltd. / Virtual learning services <u>Others (11)</u> 2014-present - Director of the Executive Board, King Prajadhipok Institute / Government Entity 2009-present - Expert Director Member, The Thailand Research Fund (TRF) / Government Entity 2007-present - Director, Office of the Public Sector Development Commission / Government Entity (Ministry of Foreign Affairs of The Kingdom of Thailand) 2007-present - Member of the Council, King Prajadhipok Institute / Government Entity 2007-present - Member, Saranrom Institute of Foreign Affairs, Foundation 1997-present - Board Member, SPIE Oil & GAS Service (Thailand) Ltd. / Oil & Gas exploration & production 1996-present - Member, Chumbhot-Pantip Foundation Council / Foundation 1996-present - President, Alliance Francaise / Association 1996-present - Honorary Consul, Honorary Consulate of Jamaica to Thailand / Consulate 1996-present - Vice Chairman, The Thai Chamber of Commerce and Board of Trade of Thailand present - Board, Jenlak Vie Consulting Co., Ltd./ Consulting Business
	<b>Work Experience for the Past 5 years</b>	-
	<b>Shareholding in Loxley</b>	- Own: 630,000 shares or 0.03% - Spouse or Underage Children: 2,621,850 shares or 0.12%
	<b>Family Relationship among Executives</b>	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. Chalermchoke Lamsam



12.	Mr. Poomchai Lamsam Director	Age 69, Nationality-Thai Since 1 April 1993
	<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- B.A. Political Science, (1973) University of Colorado, U.S.A.</li> <li>- Strayer College, U.S.A.</li> <li>- Trent College, England</li> <li>- Saint Gabriel, Thailand</li> <li>- Director Accreditation Program 28/2004, Thai Institute of Directors Association</li> </ul>
	<b>Expertise</b>	Management
	<b>Listed Companies (3)</b>	2010-present - Advisor, Muang Thai Insurance Plc. / Insurance business 1993-present - Director, Loxley Plc. / Technology and Trading business 1987-present - Vice Chairman, Phatra Leasing Plc. / Car Leasing management and administration for juristic persons
	<b>Non-Listed Companies/ Other Business (3)</b>	2010-present - Director and Advisor, Muang Thai Life Assurance Plc. / Life insurance business 2010-present - Director, Muangthai Holding Co., Ltd. / Holding Company 1988-present - Director, Muangthai Real Estate Plc. / Real Estate business
	<b>Work Experience for the Past 5 years</b>	-
	<b>Shareholding in Loxley</b>	- Own: 1,050,000 shares or 0.05% - Spouse or Underage Children: 58,012 shares or 0.002%
	<b>Family Relationship among Executives</b>	Brother of Mr. Pairote Lamsam and Mr. Dhongchai Lamsam, Brother-in-law of Dr. Jingjai Hanchanlash, Uncle of Mr. Vasant Chatikavanij, Mr. Suroj Lamsam, and Mr. Chalermchoke Lamsam



13.	<b>Mr. Vasant Chatikavanij</b> - Director - Vice Chairman of the Executive Board		<b>Age 61, Nationality - Thai</b> - Since 1 April 1993 - Since 1 January 2017	
	<b>Education/Training</b>		- M.S. Chemical Engineering, Lehigh University, U.S.A. - B.S.E. Chemical Engineering, Princeton University, U.S.A. - Director Accreditation Program 12/2004, Thai Institute of Directors Association	
	<b>Expertise</b>		Engineering and Management	
	<b>Listed Companies (1)</b>		2017-present - Vice Chairman of the Executive Board, Loxley Plc. / Technology and trading business	
	<b>Non-Listed Companies/</b>		<u>Direct Subsidiaries (4)</u>	
	<b>Other Business (16)</b>		2017-present - Director, Loxley Environmental Dynamic Co., Ltd. / Manufacture, assemble and sell of Solid waste management system  2013-present - Director, Loxley Wireless Plc. / Sale and service of telecommunication and information technology systems  2011-present - Chairman, Loxley Mobile Co., Ltd. / Sale and service of various prepaid electronics cash card 1999-present - Chairman, Loxley Orbit Plc. / Software solution provider	
			<u>Indirect Subsidiaries (2)</u>	
			2016-present - Director, LWSN Co., Ltd. / Telecommunication, IT systems and submarine cable network services 2016-present - Director, LWTN Co., Ltd. / Telecommunication, IT systems and fiber optic network services	
			<u>Indirect Joint Ventures (1)</u>	
			2012-present - Director, Loxley & AIT Holding Co., Ltd. / Regional Information and Communication Technology (ICT) Network Provider	
			<u>Direct Associates (1)</u>	
			2007-present - Director, Mobile Innovation Co., Ltd. / Service of real time vehicles tracking management system	
			<u>Other (8)</u>	
			2016-Present - Director, Loxley Simulation Technology Co., Ltd./ Virtual simulation solutions and services	
			2012-Present - Director, Khaoyai Pattana Thee Din Co., Ltd./Property management	
			2009-present - Director, Muangthai Asset Co., Ltd. / Holding company	
			2007-present - Director, Point Asia Land Co., Ltd./ Property business	
			1995-present - Director, Eximnet Co., Ltd. / Service of information technology and computer systems	
			1992-present - Director, Lopburi Carp Co., Ltd. / Import, export, sell and hatch fishes and aquamatic creatures	
			1990-present - Director, Ekpavee Co., Ltd. / Holding company	
			1981-present - Director, Loxley International Co., Ltd. / Maintenance services for computer, communication systems and project consultant	
	<b>Work Experience for the Past 5 years</b>		1995-2017 - Director, Data Mining Co., Ltd. / Service of information technology equipment and computer systems	
			2006-2016 - Chairman, NetONE Network Solution Co., Ltd. / Sale and service of IT systems	
			1993-2016 - Senior Executive Vice President, Loxley Plc. / Technology and Trading Business	
			1993-2016 - Chairman, LOXBIT Plc. / Trading of telecommunication equipment, computers and computer programs	
			1989-2016 - Director, Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services	
			2008-2014 - Director, Ecartstudio Co., Ltd. / Develop and offer software consultation	
	<b>Shareholding in Loxley</b>		- Own: 2,242,478 shares or 0.10% - Spouse or Underage Children: None	
	<b>Family Relationship among Executives</b>		Nephew of Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, Mr. Poomchai Lamsam and Dr. Jingjai Hanchanlash, Cousin of Mr. Suroj Lamsam and Mr. Chalermchoke Lamsam	



14.	<p>Mr. Suraphand Bhasitnirandr</p> <ul style="list-style-type: none"> <li>- Director</li> <li>- Vice Chairman of the Executive Board</li> <li>- Nominating &amp; Remuneration Committee Member</li> </ul>	<p>Age 66, Nationality-Thai</p> <ul style="list-style-type: none"> <li>- Since 1 February 1999</li> <li>- Since 1 January 2017</li> <li>- Since 14 November 2003</li> </ul>
	<p><b>Education/Training</b></p>	<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, Thai Institute of Directors Association</li> <li>- Certificate Politics and Government 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 (TEPCoT 5), University of the Thai Chamber of Commerce 5/2012</li> </ul>
	<p><b>Expertise</b></p>	<p>Accountancy and Business Management</p>
	<p><b>Listed Companies (1)</b></p>	<p>2017-present - Vice Chairman of the Executive Board, Loxley Plc. / Technology and trading business</p> <p>2003-present - Nominating &amp; Remuneration Committee, Loxley Plc. / Technology and trading business</p>
	<p><b>Non-Listed Companies/ Other Business (9)</b></p>	<p><u>Direct Subsidiaries (7)</u></p> <p>2017-present - Chairman, Green Natural Products Co., Ltd. / Manufacture and sale of kaffir oil, essential oil and other healthcare products</p> <p>2015-present - Director, L Food Solutions Co., Ltd. / Food service</p> <p>2012-present - Chairman, Loxley Intertrade (Guangzhou) Co., Ltd. / Trading in the People's Republic of China</p> <p>2011-present - Director, SCL Co., Ltd. / Trading in Lao People's Democratic Republic</p> <p>2008-present - Director, Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services</p> <p>2007-present - Director, Loxley Trading Co., Ltd. / Sale of consumer products</p> <p>2005-present - Chairman, L-Elevator and Engineering Co., Ltd. / Sale and Installation of elevators and escalators</p> <p><u>Direct Joint Ventures (1)</u></p> <p>2014-present - Chairman, Car Convenie Co., Ltd./ Provide quick car body and paint repair and sell franchise of "Car Con" car body and paint repair workshops</p> <p><u>Direct Associates (1)</u></p> <p>2015-present - Chairman, Parts Zone (Thailand) Co., Ltd./ Trading in automotive parts and equipment</p>
	<p><b>Work Experience for the Past 5 years</b></p>	<p>2016-2018 - Chairman, Loxtrade Specialty Innovation Co., Ltd. / Manufacture and distribute supplementary foods</p> <p>2015-2017 - Vice Chairman, Thai National Shipper's Council</p> <p>2012-2017 - Director, Nakhon Prathom Rajabhat University / Government educational institution</p> <p>2014-2017 - Chairman, Solana Marketing Co., Ltd./ Provide services on Event Organizing; eg. Concerts, Sport Games</p> <p>2013-2017 - Director, BlueScope Buildings (Thailand) Limited / Provide pre-engineering building solution</p> <p>2012-2017 - Chairman, L Green Solution Co., Ltd. / Provide alternative energy</p> <p>2012-2017 - Chairman, Mainstay Property Solutions &amp; Security Services Co., Ltd./ Provide security service and general cleaning service</p> <p>2005-2017 - Director, L-TAG Technologies Co., Ltd./ Sale of construction materials and installation service of waste water treatment system and other sanitation</p> <p>2008-2016 - Senior Executive Vice President, Loxley Plc. / Technology and Trading Business</p> <p>1999-2007 - Executive Vice President, Loxley Plc. / Technology and Trading Business</p>
	<p><b>Shareholding in Loxley</b></p>	<p>- Own: None</p> <p>- Spouse or Underage Children: None</p>
	<p><b>Family Relationship among Executives</b></p>	<p>None</p>



15.	Dr. Sompop Chareonkul	Age 69, Nationality-Thai
	- Director	- Since 15 November 2001
	- Vice Chairman of the Executive Board	- Since 1 January 2017
	- Nominating & Remuneration Committee Member	- Since 1 January 2017
<b>Education/Training</b>		<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 Madison, U.S.A Administration), University of Wisconsin-Madison, U.S.A.</li> <li>- National Defense College (4212)</li> <li>- Director Accreditation Program 15/2004, Thai Institute of Directors Association</li> <li>- Advanced Security Management Program, National Defense College Association of Thailand</li> <li>- Top Executive Program in Commerce and Trade: TEPCoT 4 (Commerce Academy)</li> <li>- Poompalungpandin Program (RIAL I), Chulalongkorn University</li> <li>- Advanced Political and Electoral Development Program APED IV, Political and Electoral Development Institute, Office of The Election Commission of Thailand</li> <li>- The 3<sup>rd</sup> Metropolis Development Programmer for Top Executive (the Meropolis 3)</li> <li>- Thammasat Leadership Program (TLP VII)</li> </ul>
<b>Expertise</b>		Commerce and Business Management
<b>Listed Companies (1)</b>		2017-present - Vice Chairman of the Executive Board, Loxley Plc. / Technology and Trading business
<b>Non-Listed Companies/ Other Business (4)</b>		<u>Subsidiaries (2)</u> 2008-present - Chairman of the Board, ASM Security Management Co., Ltd. / Security service 2007-present - Director, Loxley Trading Co., Ltd. / Sale of consumer products <u>Direct Joint Ventures (1)</u> 2013-present - Chairman, LS Technology Solutions Co., Ltd. / Operate the security technology solutions in Asian region <u>Other (1)</u> 2008-present - Chairman of the Executive Board, Law Enforcement Technology Solutions Co., Ltd. / Design and installation services of security systems
<b>Work Experience for the Past 5 years</b>		2001-2016 - Senior Executive Vice President, Loxley Plc. / Technology and Trading business 1998-2015 - Executive Director, Oriental Post Co., Ltd. / Advertising series post production service 2008-2015 - Director, Postique Co., Ltd. / Advertising and film services
<b>Shareholding in Loxley</b>		- Own: 720,000 shares or 0.03% - Spouse or Underage Children: None
<b>Family Relationship among Executives</b>		None
16.	Mr. Suroj Lamsam	Age 51, Nationality - Thai
	- Director	- Since 27 April 2004
	- President	- Since 1 January 2017
<b>Education/Training</b>		<ul style="list-style-type: none"> <li>- MM. Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>- MA., Communications, New York University, New York U.S.A.</li> <li>- BA., Marketing and Consumer Studies, Syracuse University, Syracuse New York</li> <li>- Graduate Diploma in Management of Public Economy, King Prajadhipok's Institute</li> <li>- Director Accreditation Program 40/2005, Thai Institute of Directors Association</li> </ul>
<b>Expertise</b>		Management
<b>Listed Companies (1)</b>		2017-present - President, Loxley Plc. / Technology and Trading business



<b>Non-Listed Companies/ Other Business (19)</b>	<u>Direct Subsidiaries (10)</u>	
	2018-present	- Chairman, The Foodsource Co., Ltd. / Import, whole sell and retail of food material and produce food products
	2017-present	- Chairman, Loxley Intertrade (Guangzhou) Co., Ltd. / Trading in the People's Republic of China
	2017-present	- Chairman, Loxbit Plc. / Trading of telecommunication equipment and programs
	2017-present	- Director, ASM Security Management Co., Ltd. / Security service
	2016-present	- Director, Loxley Trading Co., Ltd. / Trading of consumer products
	2016-present	- Director, Loxley Global Co., Ltd. / Holding company
	2012-present	- President, L Food Solutions Co., Ltd. / Food service
	2011-present	- Director, Loxley Mobile Co., Ltd. / Sale and service of various prepaid electronics cash card
	2008-present	- President, Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services
	2008-present	- President, Data Mining Co., Ltd. / Service of information technology equipment and computer systems
	<u>Indirect Subsidiaries (1)</u>	
	2000-present	- President, Thai Gateway Co., Ltd./Trading of Telecommunication equipment
	<u>Direct Associates (1)</u>	
	2016-present	- Director, Loxley GTECH Technology Co., Ltd. / Sale and service of information technology and online lottery system
	<u>Direct Joint Ventures (1)</u>	
	2017-present	- Chairman, Car Convenie Co., Ltd./ Provide quick car body and paint repair and sell franchise of "Car Con" car body and paint repair workshops
	<u>Indirect Joint Venture (1)</u>	
	2018-present	- Director, Loxtrade Specialty Innovation Co., Ltd. / Manufacture and distribute supplementary foods
	<u>Others (7)</u>	
	2005-present	- Director, Ekpavee Co., Ltd. / Holding Company
	1999-present	- Director, Thanakorn Vegetable Oil Co., Ltd. / Manufacture and sale of vegetable oil
	1999-present	- Director, Navakij Co., Ltd. / Holding Company
	1999-present	- Director, Lamsam Estate Co., Ltd. / Holding Company
	1997-present	- Director, L Business Process Outsourcing Co., Ltd. / Sale of printing ink and printing services
	present	- Director, Phatra Samphant Co., Ltd. / Holding Company
	present	- Director, Point Asia Land Development Co., Ltd. / Geological service
<b>Work Experience for the Past 5 years</b>	2004-2016	- Senior Executive Vice President, Loxley Plc. / Technology and Trading business
	1999-2016	- Director, Loxley Orbit Plc. / Telecommunication and computerized database service
	2011-2014	- Director, National Innovation Agency / Public organization
<b>Shareholding in Loxley</b>	- Own: 1,699,795 shares or 0.07%                      - Spouse or Underage Children: None	
<b>Family Relationship among Executives</b>	Nephew of Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, Mr. Poomchai Lamsam, and Dr. Jingjai Hanchanlash, Cousin of Mr. Vasant Chatikavanij and Mr. Chalermchoke Lamsam	

17.	<b>Mr. Chalermchoke Lamsam</b> - Director - Managing Director	<b>Age 44, Nationality-Thai</b> - Since 22 December 2010 - Since 1 January 2017
	<b>Education/Training</b>	- 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
	<b>Expertise</b>	Business Management and Accounting
	<b>Listed Companies (1)</b>	2017-present - Managing Director, Loxley Plc. / Technology and trading business



**Non-Listed Companies/****Other Business (25)**Direct Subsidiaries (16)

- 2017-present - Director, Loxbit Plc. / Trading of telecommunication equipment and programs
- 2017-present - Director, L Food Solutions Co., Ltd. / Food service
- 2017-present - Director, L-Elevator and Engineering Co., Ltd. / Sale and Installation of elevators and escalators
- 2017-present - Director, ASM Security Management Co., Ltd. / Security service
- 2017-present - Director, Loxley Automotive Co., Ltd. / Manufacture, assemble, rent, leasing, import, export and after sale services of automotive business
- 2016-present - Director, L Solar 3 Co., Ltd. / Manufacture and distribute electricity from solar power
- 2016-present - Director, Loxley Wireless System Integrator Co., Ltd. / Telecommunication System Integrator
- 2015-present - Director, LB EV Co., Ltd. / Manufacturing and trading electricity automotive
- 2015-present - Chairman, Loxley Power Systems Co., Ltd. / Construction of electrical substation & transmission and provide electrical system
- 2014-present - Director, Lego99 Co., Ltd. / Operate solar power plant
- 2012-present - Director, Loxley Intertrade (Guangzhou) Co., Ltd. / Trading in the People's Republic of China
- 2012-present - Director, Green Natural Products Co., Ltd. / Manufacture and sale of kaffir oil, essential oil and other healthcare products
- 2011-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
- 2010-present - Director, L Solar 1 Co., Ltd. / Operate solar power plant

Direct Joint Ventures (1)

- 2013-present - Director, LS Technology Solutions Co., Ltd. / Operate the security technology solutions in Asian region

Direct Associates (2)

- 2017-present - Director, BlueScope Buildings (Thailand) Limited / Provide pre-engineering building solution
- 2005-present - Director, Thai Fiber Optics Co., Ltd. / Manufacture of fiber optic

Others (6)

- 2017-present - Director, Phuket Smart Bus Co., Ltd. / Provide bus services
- 2014-present - Director, GMP (Thailand) Co., Ltd. / Manufacture, sale and import-export seafood and processed foods
- 2005-present - Director, Ekpavee Co., Ltd. / Holding Company
- 2002-present - Director, Law Enforcement Technology Solutions Co., Ltd. / Design and installation services of security systems
- 2000-present - Director, Loxley International Co., Ltd. / Provide maintenance services for computer, communication systems and project consultant
- present - Director, Point Asia Land Development Co., Ltd. / Geological service

**Work Experience for the Past 5 years**

- 2014-2017 - Director, SLA Asia Co., Ltd. / Installation of telecommunication
- 2012-2017 - Director, Loxley Business Innovation Co., Ltd. / provide alternative energy
- 2011-2017 - Director, L Force 1 Co., Ltd. / Supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting
- 2005-2017 - Director, L-TAG Technologies Co., Ltd. / Sale of construction materials and installation service of waste water treatment system and other sanitation
- 1998-2017 - Director, LTS Travel Service Co., Ltd. / Tourism business and sale of plane tickets
- 2010-2016 - Senior Executive Vice President, Loxley Plc. / Technology and Trading Business
- 2008-2010 - Executive Vice President, Loxley Plc. / Technology and Trading Business

**Shareholding in Loxley**

Own: 9,876,688 shares or 0.44%

- Spouse or Underage Children: 3,920,437 shares or 0.17%

**Family Relationship among Executives**

Son of Mr. Dhongchai Lamsam, Nephew of Mr. Pairote Lamsam, Mr. Poomchai Lamsam and Dr. Jingjai Hanchanlash, Cousin of Mr. Vasant Chatikavanij and Mr. Suroj Lamsam



18.	<b>Mr. Supat Karachalkul</b> - First Executive Vice President - Chief Financial Officer	<b>Age 53, Nationality-Thai</b> - Since 1 January 2017 - Since 1 January 2011
<b>Education/Training</b>		- B.A. Accountancy, Assumption University - LLB, Laws, Thammasat University - Director Accreditation Program 99/2012, Thai Institute of Directors Association - Director Certification Program 168/2013, Thai Institute of Directors Association - Successful Formulation & Execution of Strategy (SFE 18/2013) - How to Measure the Success of Corporation Strategy (HMS 2/2013) - Anti-Corruption for Executive Program 12/2014 - IOD's 3rd National Director Conference 2014 "Improving Corporate Governance: Key to Advancing Thailand" - Director Certification Program 3/2015, Thai Institute of Directors Association - Chief Financial Officer Certification Program CFO 19, Federation of Accounting Professions - Strategic CFO In Capital Markets Program 5, The Stock Exchange of Thailand
<b>Expertise</b>		Accountancy and Laws
<b>Listed Companies (1)</b>		2017-present - First Executive Vice President, Loxley Plc. / Technology and trading business 2011-present - Chief Financial Officer, Loxley Plc. / Technology and trading business
<b>Non-Listed Companies/ Other Business (8)</b>		<b>Direct Subsidiaries (6)</b> 2018-present - Director, The Foodsource Co., Ltd. / Import, whole sell and retail of food material and produce food products 2017-present - Director, Loxley Intertrade (Guangzhou) Co., Ltd. / Trading in the People's Republic of China 2017-present - Director, Loxbit Plc. / Trading of telecommunication equipment and programs 2013-present - Director, Loxley Property Development Co., Ltd. / Renting of building, advertising board and providing services 2006-present - Director, Loxley Global Co., Ltd. / Holding Company 2006-present - Director, ASM Security Management Co., Ltd. / Provide security service <b>Direct Joint Ventures (2)</b> 2014-present - Director, Car Convenie Co., Ltd./ Provide quick car body and paint repair and sell franchise of "Car Con" car body and paint repair workshops 2013-present - Director, LS Technology Solutions Co., Ltd./ Operate the security technology solutions in Asian region
<b>Work Experience for the Past 5 years</b>		2013-2017 - Director, L Green Solution Co., Ltd. / Provide alternative energy 2010-2017 - Director, L Solar 1 Co., Ltd. / Operate solar power plant 2012-2016 - Executive Vice President, Loxley Plc / Technology and trading business 2006-2011 - Senior Vice President of Financial Management Dept., Loxley Plc. / Technology and Trading business
<b>Shareholding in Loxley</b>		- Own: None - Spouse or Underage Children: None
<b>Family Relationship among Executives</b>		None
19.	<b>Mrs. Kosoom Sinphurmsukskul</b> First Executive Vice President	<b>Age 64, Nationality-Thai</b> Since 1 January 2017
<b>Education/Training</b>		- Master of Business Administration (MBA), University of Dallas, U.S.A. - Finance & Accounting for the non-Financial Professionals, Double Digits Ltd. - Senior Executive, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Bangkok - Director Accreditation Program 99/2012, Thai Institute of Directors Association - Financial Statements for Directors 2012, Thai Institute of Directors Association - Top Executive Program in Commerce and Trade, Commerce Academy University of the Thai Chamber of Commerce
<b>Expertise</b>		Management
<b>Listed Companies (1)</b>		2017-present - First Executive Vice President, Loxley Plc / Technology and trading business



<b>Non-Listed Companies/ Other Business (4)</b>	<u>Subsidiaries (3)</u> 2015-present - Director, Loxley Intertrade (Guangzhou) Co., Ltd. / Trading in Republic of China 2012-present - Director, L Food Solutions Co., Ltd. / Food service 2000-present - Managing Director, Loxley Trading Co., Ltd. / Sale consumer products <u>Indirect Joint Venture (1)</u> 2016-present - Director, Loxtrade Specialty Innovation Co., Ltd. / Manufacture and distribute supplementary foods
<b>Work Experience for the Past 5 years</b>	2012-2016 - Executive Vice President, Loxley Plc / Technology and trading business 2012-2016 - Director, Thai Herbal Product Co., Ltd. / Produce herbal products in phytopharmaceutical style 2005-2012 - Director, L-TAG Technologies Co., Ltd. / Sale of construction materials and installation service of waste water treatment system and other sanitation
<b>Shareholding in Loxley</b>	- Own: None - Spouse or Underage Children: 5,250 shares or 0.000%
<b>Family Relationship among Executives</b>	Cousin of Mr. Dhongchai Lamsam

20.	<b>Mr. Saknarong Saengsangapong</b> First Executive Vice President	<b>Age 56, Nationality-Thai</b> Since 1 January 2017
<b>Education/Training</b>		- Master Degree, Business Administration (International Program), Bangkok University - Bachelor of Science, Chiangmai University - Certificate in Advance Computer Engineering, CICC, Tokyo, Japan - Columbia Senior Executive Program, Columbia University, U.S.A. - Advance Certificate in politics & Governance in Democratic Systems for Executives class 12, King Prajadhipok's Institute - Director Accreditation Program 99/2012, Thai Institute of Directors Association - Executive Program for Management Development (Mahanakorn 2), Urban Green Development Institute Bangkok - National Defence Program for public and private Executive 23 (NDC 2010), National Defence College - The Rule of Law Democracy, College Constitution (Version 1), Institute of Constitution Studies, The Office of the Constitution Court - Executive Program for Senior Administrative justice class 5, The Administrative Court - Executive Program (CMA. 19), Capital Market Academy - Executive Program in Energy Literacy for a Sustainable Future, Thailand Energy Academy - The Programme for Senior Executives on Justice Administration (B.Y.S.22), National Justice Academy Office of The Judiciary
<b>Expertise</b>		Business Administration, Science and Computer Engineering
<b>Listed Companies (1)</b>		2017-present - First Executive Vice President, Loxley Plc / Technology and trading business
<b>Non-Listed Companies/ Other Business (5)</b>		<u>Direct Subsidiaries (1)</u> 2006-present - President & CEO, LOXBIT Plc. / Trading of telecommunication equipment, computers and computer programs <u>Indirect Subsidiaries (4)</u> 2016-present - Director, K2 Venture Capital Co., Ltd. / Holding company 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. / Sale and service of IT systems 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
<b>Work Experience for the Past 5 years</b>		2012-2016 - Executive Vice President, Loxley Plc / Technology and trading business
<b>Shareholding in Loxley</b>		- Own: None - Spouse or Underage Children: None
<b>Family Relationship among Executives</b>		None



21.	Mr. Thongyai Chanthanawan First Executive Vice President	Age 60, Nationality-Thai Since 1 January 2017
	<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Bachelor in Electrical Engineering (Power), Kasetsart University</li> <li>- Director Accreditation Program 99/2012, Thai Institute of Directors Association</li> <li>- Director Certification Program 168/2013, Thai Institute of Directors Association</li> </ul>
	<b>Expertise</b>	Engineering
	<b>Listed Companies (1)</b>	2017 - First Executive Vice President, Loxley Plc / Technology and trading business
	<b>Non-Listed Companies/ Other Business (5)</b>	<p><u>Direct Subsidiaries (2)</u></p> <p>2017-present - Director, Loxley Business Innovation Co., Ltd. / sale, service and installation of automatic telephone switching systems</p> <p>1997-present - Managing Director, Loxley Wireless Plc. / Sale and service of telecommunication and information technology systems</p> <p><u>Indirect Subsidiaries (2)</u></p> <p>2015-present - Director, LWSN Co., Ltd. / Telecommunication, IT systems and submarine cable network services</p> <p>2015-present - Director, LWTN Co., Ltd. / Telecommunication, IT systems and fiber optic network services</p> <p><u>Indirect Joint Ventures (1)</u></p> <p>2012-present - Director, Loxley &amp; AIT Holding Co., Ltd. / Provide installation service of power plant telecommunication</p>
	<b>Work Experience for the Past 5 years</b>	2012-2016 - Executive Vice President, Loxley Plc / Technology and trading business
	<b>Shareholding in Loxley</b>	- Own: None - Spouse or Underage Children: None
	<b>Family Relationship among Executives</b>	None
22.	Mr. Karn Thongyai First Executive Vice President	Age 57, Nationality-Thai Since 1 January 2017
	<b>Education/Training</b>	<ul style="list-style-type: none"> <li>- Master Degree of Computer and Information Science, University of New Haven, U.S.A.</li> <li>- Capital Market Academy 2017</li> <li>- The National Defence College 2012</li> <li>- Advanced Security Management Program 2</li> <li>- Financial Statement for Director 4/2009, Thai Institute of Directors Association</li> </ul>
	<b>Expertise</b>	Security Service
	<b>Listed Companies (1)</b>	2017-Present - First Executive Vice President, Loxley Plc./Technology and trading business
	<b>Non-Listed Companies/ Other Business (4)</b>	<p><u>Direct Subsidiaries (1)</u></p> <p>2006-Present - Chief Executive Officer, ASM Security Management Co., Ltd. / Provide security service</p> <p><u>Direct Joint Ventures (1)</u></p> <p>2013-Present - Director, LS Technology Solutions Co., Ltd. / Operate the security technology solutions in Asian region</p> <p><u>Others (2)</u></p> <p>2017-Present - Chairman, Mainstay Property Solutions &amp; Security Services Co., Ltd./ Provide security service and general cleaning service</p> <p>2017-Present - Director, Law Enforcement Technology Solutions Co., Ltd. / Design and installation of security system</p>
	<b>Work Experience for the Past 5 years</b>	<p>2014-2016 - Executive Vice President, Loxley Plc./Technology and trading business</p> <p>2006-2016 - Managing Director, Law Enforcement Technology Solutions Co., Ltd. / Design and installation of security system</p>
	<b>Shareholding in Loxley</b>	- Own: None - Spouse or Underage Children: 5,000 shares or 0.0000%
	<b>Family Relationship among Executives</b>	None



23.	Mr. Pichai Mooputtarak Company Secretary	Age 59, Nationality-Thai Since 11 January 2008
<b>Education/Training</b>		<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, Law and Development Research Center, Chulalongkorn University</li> <li>- Company Secretary Program 27/2008 (CSP), Thai Institute of Directors Association</li> <li>- Effective Minutes Taking 11/2008 (EMT), Thai Institute of Directors Association</li> <li>- Anti-Corruption for Executive Program 12/2014, Thai Institute of Directors Association</li> <li>- Verifying the CAC Checklist : Experience Sharing from Auditors</li> <li>- Anti-Corruption in Thailand : Sustaining the Momentum, IOD</li> </ul>
<b>Expertise</b>		Law
<b>Listed Companies (1)</b>		2017-present - Senior Vice President, Legal & Securities Dept., Loxley Plc. / Technology and trading business 2008-present - Secretary to the Board of Directors, Loxley Plc. / Technology and trading business
<b>Non-Listed Companies/Other Business</b>		None
<b>Work Experience for the Past 5 years</b>		2010-2016 - Vice President, Legal & Securities Dept., Loxley Plc. / Technology and trading business 2006-2009 - Assistant Vice President, Legal & Securities Dept., Loxley Plc. / Technology and trading business
<b>Shareholding in Loxley</b>		- Own: 21,000 shares or 0.001% - Spouse or Underage Children: 25,200 shares or 0.001%
<b>Family Relationship among Executives</b>		None



# INFORMATION OF DIRECTORS' POSITIONS IN THE RELATED PARTIES

as of 31 December 2017

Company	Director	Direct and Indirect Subsidiaries																																
		1. Loxley Wireless Public Company Limited	2. Loxbit Public Company Limited	3. Data Mining Co., Ltd.	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. Loxley Business Innovation Co., Ltd.	9. ASM Security Management Co., Ltd.	10. Loxley Property Development Co., Ltd.	11. Societe Commercial Lao	12. Loxley Global Co., Ltd.	13. Loxley Trading Co., Ltd.	14. Green Natural Product Co., Ltd.	15. L-Elevator and Engineering Co., Ltd.	16. Loxley Power Systems Co., Ltd.	17. LB EV Co., Ltd.	18. Professional Computer Company Limited	19. Loxley Orbit Public Company Limited	20. NetOne Network Solution Co., Ltd.	21. Thai Gateway Company Limited	22. L Hardware & Services Co., Ltd.	23. Lego 99 Co., Ltd.	24. LWSN Company Limited	25. LWTN Company Limited	26. L Solar 3 Co., Ltd.	27. Loxley Engineering Co., Ltd.	28. Loxley System Integrator Company Limited	29. Loxley Automotive Co., Ltd.	30. Loxley Environmental Dynamics Company Limited	31. Loxley Simulation Technology Co., Ltd.	32. Phetkasem Green Holding Co., Ltd.	
1 Mr. Pairote Lamsam	C			/						C			C																					
2 Mr. Sukit Wanglee	/																																	
3 Mr. Dhongchai Lamsam	C1	C		/		C				/		C	/	/																				
4 Dr. Harit Sutabutr	/																																	
5 Dr. Supavud Saicheua	/																																	
6 Mr. Charoon Chinalai	/																																	
7 Mr. Joti Bhokavanij	/																																	
8 Gen. Vichit Yathip	/																																	
9 Prof. Rawat Chamchalerm	/																																	
10 Mr. Suebtrakul Soonthornthum	//			/						/			/																					
11 Dr. Jingjai Hanchanlash	//										/																						/	
12 Mr. Poomchai Lamsam	/																																	/
13 Mr. Vasant Chatikavanij	//	/				C													C					/	/							/	/	
14 Mr. Suraphand Bhasitnirandr	//					/	C			/	/		/	/	C																			
15 Dr. Sompop Chareonkul	//								/				/	/																				
16 Mr. Suroj Lamsam	P	C	P		/	P	/		/	P		/	/	/								/												
17 Mr. Chalermchoke Lamsam	MD	/	/	/	/	/	/	/	/	/	/	/	/	/	C	/							/						/					
18 Mr. Supat Karachakul	///	/	/				/	/	/	/	/	/	/																					
19 Mrs. Kosoom Sinphurmsukskul	///					/	/						P																					
20 Mr. Saknarong Saengsangapong	///	P																P		/		/												
21 Mr. Thongyai Chanthanawan	///	P																																
22 Mr. Karn Thongyai	///								P																									

Remarks : C = Chairman of the Board C1 = Chairman of the Executive Board P = President MD = Managing Director / = Director // = Senior Executive Vice President  
/// = Executive Vice President

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



[illegible]



Company		Other Related Parties																				
		1. L-TAG Technologies Company Limited	2. Zin Supaph Company Limited	3. Thanakorn Vegetable Oil Products Co., Ltd.	4. Loxley International Company Limited	5. Law Enforcement Technology Solutions Co., Ltd.	6. LTS Travel Service Co., Ltd.	7. L Business Process Outsourcing Co., Ltd.	8. LOC Thai Joint Stock Company	9. Thai Herbal Products Company Limited	10. Eximtel Co., Ltd.	11. Muang Thai Insurance Public Company Limited	12. Muang Thai Life Assurance Public Company Limited	13. GMP (Thailand) Co., Ltd.	14. MappointAsia (Thailand) Public Company Limited	15. The Lamsam Estate Co., Ltd.	16. Mansstay Property Solutions & Security Services Co., Ltd.	17. Phuket Smart Bus Co., Ltd.	18. Phatra Leasing Public Company Limited	19. Spie Oil & Gas Services (Thailand) Ltd.	20. L Solar 1 Co., Ltd.	21. Lox Service Co., Ltd.
Director	1 Mr. Pairote Lamsam		/		C										/							
	2 Mr. Sukit Wanglee															/						
	3 Mr. Dhongchai Lamsam		/		P											/						
	4 Dr. Harit Sutabutr																					
	5 Dr. Supavud Saicheua																					
	6 Mr. Charoon Chinalai																					
	7 Mr. Joti Bhokavanij																					
	8 Gen. Vichit Yathip																					
	9 Prof. Rawat Chamchalerms																					
	10 Mr. Suebtrakul Soonthornthum		/									/							/			
	11 Dr. Jingjai Hanchanlath										/									/		
	12 Mr. Poomchai Lamsam											/							/			
	13 Mr. Vasant Chatikavanij				/						/											
	14 Mr. Suraphand Bhasitnirand																					
	15 Dr. Sompop Chareonkul					/																
	16 Mr. Suroj Lamsam			/				C								/						
	17 Mr. Chalermchoke Lamsam				/	/								/				/				/
	18 Mr. Supat Karachalkul																					
	19 Mrs. Kosoom Sinphurmsukskul																					
	20 Mr. Saknarong Saengsangapong																					
	21 Mr. Thongyai Chanthanawan																					
	22 Mr. Karn Thongyai					P											/					



Company	Direct and Indirect Subsidiaries																																		
	32. Pnetkasem Green Holding Co., Ltd.	31. Loxley Simulation Technology Co., Ltd.	30. Loxley Environmental Dynamics Company Limited	29. Loxley Automotive Co., Ltd.	28. Loxley System Integrator Co., Ltd.	27. Loxley Engineering Co., Ltd.	26. L Solar 3 Co., Ltd.	25. LWTN Company Limited	24. LWSN Company Limited	23. Lego 99 Co., Ltd.	22. L Hardware & Services Co., Ltd.	21. Thai Gateway Company Limited	20. NetOne Network Solution Co., Ltd.	19. Loxley Orbit Public Company Limited	18. Professional Computer Company Limited	17. LBEV Co., Ltd.	16. Loxley Power Systems Co., Ltd.	15. L-Elevator and Engineering Co., Ltd.	14. Green Natural Product Co., Ltd.	13. Loxley Trading Co., Ltd.	12. Loxley Global Co., Ltd.	11. Societe Commercial Lao	10. Loxley Property Development Co., Ltd.	9. ASM Security Management Co., Ltd.	8. Loxley Business Innovation Co., Ltd.	7. Loxley Intertrade (Guangzhou) Co., Ltd.	6. L Food Solutions Company Limited	5. Loxley Mobile Company Limited	4. Loxley Joint and Hold Co., Ltd.	3. Data Mining Co., Ltd.	2. Loxbit Public Company Limited	1. Loxley Wireless Public Company Limited			
Director	1 Mr. Nimit Prasertsuk	2 Mr. Kittichai Raktakanit	3 Mr. Nattapon Dejvitak	4 Dr. Dawarit Tansuphasiri	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 Phinitpuwadol	11 Mrs. Vanida Viriyatharangkunr	12 Mr. Ali Bin Hussan Aljunied	13 Mrs. Vongthip Chumpani	14 Mr. EK-Khun Boonpiti	15 Mrs. Wanida Saengkaew	16 Mrs. Suganya Ungpakorn	17 Mr. Manit Lohatepanont	18 Mr. Charaspong Lamsam	19 Mr. Chalermchai Piyavee	20 Mr. Veerayut Kosirinoond	21 AM. Adireg Sastararuchi	22 Mr. Vichaya Chatikavanij	23 Mr. Piboon Piboontum	24 Mrs. Sirinan Lamsam	25 Miss Kamolthorn Malavichai	26 M.R. Pornrapee Abhakorn	27 Gen. Nipon Siriporn	28 Mr. Suntad Yingyong	29 Mr. Udomsak Kaewsiri	30 Miss Teeraya Kritsadapong	31 Mrs. Hathairat Somsiripat	32 Dr. Kosol Surakomol	33 Mr. Pratya Indranupakorn	34 Mr. Liu Xueliang	35 Mr. Zhang Jia



Company	Direct and Indirect Subsidiaries																																
	1. Loxley Wireless Public Company Limited	2. Loxbit Public Company Limited	3. Data Mining Co., Ltd.	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. Loxley Business Innovation Co., Ltd.	9. ASM Security Management Co., Ltd.	10. Loxley Property Development Co., Ltd.	11. Societe Commercial Lao	12. Loxley Global Co., Ltd.	13. Loxley Trading Co., Ltd.	14. Green Natural Product Co., Ltd.	15. L-Elevator and Engineering Co., Ltd.	16. Loxley Power Systems Co., Ltd.	17. LB EV Co., Ltd.	18. Professional Computer Company Limited	19. Loxley Orbit Public Company Limited	20. NetOne Network Solution Co., Ltd.	21. Thal Gateway Company Limited	22. L Hardware & Services Co., Ltd.	23. Lego 99 Co., Ltd.	24. LWSN Company Limited	25. LWTN Company Limited	26. L Solar 3 Co., Ltd.	27. Loxley Engineering Co., Ltd.	28. Loxley System Integrator Co., Ltd.	29. Loxley Automotive Co., Ltd.	30. Loxley Environmental Dynamics Company Limited	31. Loxley Simulation Technology Co., Ltd.	32. Phetkasem Green Holding Co., Ltd.	
36 Miss Duangmanee Boonpong																			/														
37 Mr. Aisoon Pichetjamras																			/														
38 Mr. Parivat Tharincharoen																			/														
39 Mr. Kittti Jongcharoenkijkarn																			/														
40 Mr. Bongkarn Jiraboonsri																			/														
41 Mr. Somphop Pitaksiripun																			/														
42 Mr. Sith Chokpipatpaiboon																			/														
43 Mr. Boonsiri wattanarojananikorn																			/														
44 Mr. Yuthaporn Chitakasem																			/														
45 Miss Yawalak Peukliang								/											/														
46 Mr. Boontham Pasutha								/											/														
47 Miss Wasana Wetchakornpatiwoong									/										/														
48 Miss Patteera Lapassethsiri									/										/														
49 Mr. Ruij Sangkawibha									/										/														
50 Miss Wannee Boontaganon			/																/														
51 Mrs. Salisa Chareonsuk			/																/														
52 Miss Wilawan Srirojanakul			/																/														
53 Mr. Chamnan Jirasak			/																/														
54 Mr. Oudet Souvannavong											P																						
55 Miss Vanida Souvannawong											/																						
56 Mr. Sounthone Phommachakr											/																						
57 Mrs. Sangmanee Viyagate											/																						
58 Mr. Chistopher Sze Hoo Lam											/																						
59 Mr. Gerald Hin Tsun To											/																						
60 Mr. Kim Pun Wong											/																						
61 Mr. Petch Wanglee											/								/														
62 Mr. Adul Premprasert											/								/														
63 Mr. Wachra Asvanuwatra													/		P																		
64 Mr. Tanu Sirisaowalak													/		/				/														
65 Miss Pornthip Piyarat															/				/														
66 Mr. Boonlert Jaimun															/				/														
67 Mr. Arthur Graham Storah															/				/														
68 Mr. Kreangsak Chana															/				/														
69 Miss Supaporn Kusolsat																		/															
70 Mrs. Kruarmas Puwattanavanich																											/						
71 Mr. Wansit Chatikavanij																																	/

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 2017 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 2017 are reliable, comply with the generally accepted accounting standards and properly adhere to the laws and other related regulations.



(Mr. Dhongchai Lamsam)  
Chairman of the Board



(Mr. Suroj Lamsam)  
President



## REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Loxley Public Co., Ltd. consists of 3 independent directors whose knowledges, ability, experience and qualifications meet all requirements of 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 2017, 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. Major functions are as follows:

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.

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 the audit and review of financial statements, issues ensuing from the audit or review and recommendations on the internal control system and directions of Thailand's standards on financial reporting.

2. The Audit Committee held one meeting with the Company's Auditors without presence of the management.
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. Considered, selected and proposed the appointment of independent individuals to act as the Company's Auditor and their remuneration for 2017 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. Considered and 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 2017, 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



Distribution costs	Market prices or contractually agreed prices
Administrative expenses	Market prices or contractually agreed prices
Finance costs	Market rates or contractually agreed rates
Purchase of investment	Net book value

Significant transactions for the year ended 31 December 2017 with related parties were as follows:

Related Parties and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
<b>Subsidiaries</b>			
Loxley Wireless Public Company Limited 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.	Income from sale of goods and rendering of services	9.46	- Space rental service based on area and other services as scope of works at third party compatible prices.
	Services expenses	4.03	- Internet services as scope of works at third party compatible prices.
	Purchase of investment	18.30	- Fair value to purchase of investment considered from net book value and project in hand value.
	Loan	110.00	- The subsidiary asked for loan from Loxley, the major shareholder, since it had limited credit line from other financial resources. The interest rate was at market rate.
	Other receivables	1.44	
	Other payables	0.32	
	Deposit	0.59	
<b>Associates and joint ventures</b>			
Thanthiya Technology Co., Ltd. 30% of its shares held by Loxley Plc.	Income from rendering of services	0.30	- Consultancy services at third party compatible prices.
	Purchase of goods	6.79	- Purchase of project equipment at third party compatible prices.
	Trade accounts payable	2.13	
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. Suebrakul Soonthornthum	Income from rendering of services	4.00	- Normal transactions at third party compatible prices.
	Purchase of goods	146.83	- Normal transactions at third party compatible prices.
	Other receivables	0.20	
Foseco (Thailand) Limited 26% of its shares are held by Loxley Plc, with a director in common, namely Mr. Suebrakul Soonthornthum.	Income from rent and rendering of services	9.81	- Space rental service based on area at third party compatible prices. Income of transportation, consultancy service and other services as scope of works at third party compatible prices.
	Other receivables	2.31	



Related Parties and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Loxley GTECH Technology Co., Ltd. 35% of its shares held by Loxley group. Directors in common are: Mr. Dhongchai Lamsam, and Mr. Suroj Lamsam	Income from rendering of services Trade accounts receivable-net Other receivables-net Loan-net	0.65 - 0.02 -	- Normal transactions at third party compatible prices. - 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.
NS BlueScope Lysaght (Thailand) Limited 20% of its shares held by Loxley Plc. Directors in common are: Mr. Pairote Lamsam, Mr. Suebtrakul Soonthornthum and Mr. Charoon Chinalai	Income from rendering of services Purchase of goods Trade accounts receivable Trade accounts payable	0.24 128.63 0.10 18.42	- Normal transactions at third party compatible prices. - Purchase of goods for projects, recognized as normal transaction at the at third party compatible prices.
LPDPS Joint Venture 44% interests in joint operation	Income from sale of goods and rendering of services Trade accounts receivable-net Other receivables	78.87 78.64 0.38	- Income derived from sales of goods, income from projects, recognized as normal transaction at third party compatible prices. Income from other services as scope of works at third party compatible prices.
Parts Zone (Thailand) Co., Ltd. 46% of its shares are held by Loxley Plc, with a director in common, namely Mr. Suraphand Bhasitnirand	Income from sale of goods and rendering of services Service expenses Trade accounts receivable	7.19 0.03 1.28	- Normal transactions at third party compatible prices. - Normal transactions as scope of works at third party compatible prices.
Loxley Numap Infra Plus Joint Venture 38% interests in joint operation	Income from sale of goods and rendering of services Purchase of goods Trade accounts receivable	15.97 1.51 25.88	- Income from projects was recognized as normal transaction at third party compatible prices. Income from other services as scope of works at third party compatible prices. - Normal transactions as scope of works at third party compatible prices.
Cloud Serve Asia Co., Ltd. 50% of its shares held by Loxbit Plc. during Jan-Sept 2017. The investment was disposed to a non-connected person in Oct 2017.	Income from rental fee and rendering of services Service expenses	3.58 8.30	- Space rental fee based on area and other income based on scope of works at third party compatible prices. - Normal transactions as scope of works at third party compatible prices.



Related Parties and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
DM-LOXLEY Co., Ltd. 45% of its shares are held by Loxley Plc.	Income from sale of goods	4.11	- Income derived from project, recognized as normal transaction at third party compatible prices.
Oriental Post Co., Ltd. 50% of its shares are held by Loxley Plc.	Other income	2.00	- Return on investment from an associate.
TLK 2 Management Co., Ltd. 50% of its shares are held by Loxbit Plc.	Interest income	0.02	- Interest income at market rate or contractually agreed prices.
	Loan	2.00	- The subsidiary asked for loan from Loxley, the major shareholder, since it had limited credit line from other financial resources. The interest rate was at market rate.
Others	Income from sale of goods, rendering of services and others	2.84	- 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.
	Selling cost and administrative expenses	0.63	
	Trade accounts receivable	0.36	
	Other receivables	0.41	
	Trade accounts payable	0.03	
	Other payables	0.11	
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	1,518.35	- Purchase of vegetable oil at fixed purchase price.
	Trade accounts payable	181.85	The price is the same as third party where sale agents bear the cost of goods distribution from central warehouse.
LTS Travel Service Co., Ltd. 43% of its shares held by Mrs. Duangruthai Poomchusri, 24% by Mrs. Montira Lamsam, and 17% by Mr. Dhongchai Lamsam.	Income from rental fee and rendering of services	0.53	- Space rental fee based on area and other income from rendering of services based on scope of works at third party compatible prices.
	Purchase of goods	18.78	- Purchase of air tickets, accommodation and others at the price shown in the ticket plus discount offered by agent at third party compatible prices.
	Other receivables	0.01	
	Trade accounts payable	0.03	
	Other payables	0.41	
	Deposit	0.05	



Related Parties and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
L Business Process Outsourcing Co., Ltd. Ekpavee Co., Ltd. is its major shareholder with a director in common, namely Mr. Suroj Lamsam.	Income from sale of goods, rendering of services and others  Service expenses Trade accounts receivable Other receivables Trade accounts payable Other payables	19.57  25.52 8.19 0.11 1.88 0.05	- 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.  - Printing service as normal transaction, based on work scope, at third party compatible prices.
Muang Thai Life Assurance Public Company Limited  Directors in common are Mr. Poomchai Lamsam and Mr. Suebtrakul Soonthornthum.	Income from sale of goods  Service expenses Trade accounts receivable Trade accounts payable Other payables	29.02  1.39 5.84 0.10 0.03	- Income derived from projects as normal business transaction at third party compatible prices.  - Normal business transaction at third party compatible prices.
Muang Thai Insurance Public Company Limited  5% of its shares are held by Loxley Plc., with a director in common, namely Dr. Jingjai Hanchanlash.	Income from sale of goods and rendering of services  Service expenses Trade accounts receivable Trade accounts payable Other payables	3.74  9.05 1.64 0.54 0.10	- Income derived from selling goods and projects as normal business transaction at third party compatible prices.  - Normal business transaction at third party compatible prices.
Ekpavee Company Limited Major shareholder, 26% shareholding of Loxley Plc. Directors in common are Mr. Pairote Lamsam, Mr. Sukit Wanglee, Mr. Dhongchai Lamsam, Mr. Vasant Chatikavanij, Mr. Suebtrakul Soonthornthum, Mr. Suroj Lamsam and Mr. Chalermchoke Lamsam	Income from rendering of services Interest paid Other receivables Loan	0.34 4.15 0.03 80.00	- Normal business transaction at third party compatible prices.  - Interest paid for loan at market rate  - Loan provided to a subsidiary due to limit financial amount from other source of funds, the interest rate at market rate.



Related Parties and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Loxley International Company Limited 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 rental fee and rendering of services	7.87	- Space rental fee based on area and other income based on scope of works at third party compatible prices.
	Service expense	12.86	
	Trade accounts receivable	0.02	- Normal business transaction at third party compatible prices.
	Other receivables	0.33	
	Trade accounts payable	2.75	
	Deposit	0.57	
Mappoint Asia (Thailand) Public Company Limited 16% of its shares are held by Ekpavee Co., Ltd.	Income from rendering of services	0.03	- Income from services as scope of works at third party compatible prices.
	Purchase of goods	2.80	- For use in projects at third party compatible prices.
	Trade accounts payable	0.76	
Law Enforcement Technology Solutions Co., Ltd. 53% of its shares are held by Loxley International Co., Ltd. and 47% by Mr. Dhongchai Lamsam. Directors in common are Mr. Chalermchoke Lamsam, Dr. Sompop Chareonkul and Mr. Karn Thongyai.	Income from rental fee and rendering of services	1.69	- Space rental fee based on area and other income based on scope of works at third party compatible prices.
	Service expenses	14.11	- Security maintenance service and CCTV equipment expenses for projects as work scope at third party compatible prices.
	Trade accounts receivable	0.11	
	Other receivables	0.33	
	Trade accounts payable	0.11	
	Other payables	4.45	
	Deposit	0.34	
Lox Service Co., Ltd. (Formerly "Solunar Marketing Co., Ltd.") 93% of its shares are held by Ekpavee Co., Ltd.	Income from sale of goods and rendering of services	1.47	- Normal business transaction at third party compatible prices.
	Service expense	2.67	- Normal business transaction at third party compatible prices.
	Trade accounts receivable	0.65	
	Other receivable	0.05	



Related Parties and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Mainstay Property Solutions & Security Services Co., Ltd. 94% of its shares are held by Ekpavee Co., Ltd., with a director in common, namely Mr. Karn Thongyai.	Income from sale of goods, rental fee and rendering of services  Service expenses Trade accounts receivable Other receivables Trade accounts payable Other payables Deposit	1.53   0.28 0.53 0.02 0.06 0.01 0.26	- Income derived from selling goods at third party compatible prices. Space rental fee based on area and other income based on scope of works at third party compatible prices.  - Normal business transaction at third party compatible prices.
Lamsam Estate Co., Ltd. Directors in common are Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suroj Lamsam.	Income from rental fee and rendering of services  Deposit	1.81  0.36	- Space rental fee based on area and other income based on scope of works at third party compatible prices.
Phatra Leasing Public Company Limited Directors in common are Mr. Poomchai Lamsam and Mr. Suebtrakul Soonthornthum.	Income from sale of goods Service expense Trade accounts payable	0.02 30.45 1.08	- Sale of goods at third party compatible prices. - Normal business transaction as scope of works at third party compatible prices.
Phuket Smart Bus Co., Ltd. 15% of its shares are held by Loxley Plc., with a director in common, namely Mr. Chalermchoke Lamsam.	Deposit	3.25	- Normal business transaction at third party compatible prices.
Zin Suapah Company Limited 20% of its shares are held by Ekpavee Co., Ltd., with the following directors in common: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suebtrakul Soonthornthum	Income from rendering of services  Service expenses Trade accounts receivable Other receivables	1.31  0.36 0.02 0.01	- Income from services as scope of works at third party compatible prices.  - Space rental fee based on area and number of cars parked as normal transactions at third party compatible prices.



Related Parties and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
L Solar 1 Co., Ltd. During Jan-Aug 2017, 70% of its shares were held by Loxley Plc. In Sept 2017 the whole investment was disposed; however, it is still a related party with a director in common, namely Mr. Chalermchoke Lamsam.	Income from rental fee and rendering of services Trade accounts receivable Other receivables	2.52 0.01 1.01	- Space rental fee based on area, income from consultancy and other services based on scope of works at third party compatible prices.
Others	Income from sale of goods, rendering of services, and others Purchase of goods and rendering of services Trade accounts receivable Other receivables Other payables Loan from director Deposit	4.23 0.21 2.60 0.16 0.01 0.28 0.12	- 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.



# MANAGEMENT DISCUSSION AND ANALYSIS

## RELATED TO THE RESULTS OF BUSINESS OPERATIONS

### Performance of the Company and Subsidiaries in 2015, 2016 and 2017

#### Income

In 2015, 2016 and 2017, the Company had total income of Baht 11,660.07 million, Baht 13,855.46 million and Baht 15,928.91 million, respectively. Income structure can be described as follows:

Income Structure (Unit : Million Baht)	Year ended 31 Dec 2015		Year ended 31 Dec 2016		Year ended 31 Dec 2017	
	Value	%	Value	%	Value	%
Revenue from sale of goods and rendering of services	11,472.07	98.39%	13,709.77	98.95%	15,639.45	98.18%
Fees and other income	172.25	1.48%	128.49	0.93%	192.58	1.21%
Gain on sales of investments - net	15.75	0.13%	17.20	0.12%	* 96.88	0.61%
<b>Total income</b>	<b>11,660.07</b>	<b>100.00%</b>	<b>13,855.46</b>	<b>100.00%</b>	<b>15,928.91</b>	<b>100.00%</b>

The main income of the Company during 2015, 2016 and 2017 derived from sales and services, which representing 98.39%, 98.95% and 98.18% of total income respectively.

\*In 2017, gain on sales of investments of Baht 96.88 million was from the disposal of investment in L Solar 1 Co., Ltd., a subsidiary, to a non-connected party.

#### 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 2017, the Company's income from such items was Baht 192.58 million, increasing by Baht 64.09 million from 2016 or by 49.88%. As in 2017, the income from management fees increased Baht 28 million and profit from exchange rate increased Baht 17 million.



### Total income by business segment

Total income in 2015, 2016, and 2017 as categorized by business segment is as follows:

Income Structure (Unit : Million Baht)	Year ended 31 Dec 2015		Year ended 31 Dec 2016		Year ended 31 Dec 2017	
	Value	%	Value	%	Value	%
1. Technology Business Segment	7,021.20	60.22%	9,012.44	65.05%	10,750.28	67.49%
2. Trading Business Segment	3,868.15	33.17%	3,984.55	28.76%	3,798.83	23.85%
3. Services Business Segment	1,129.19	9.68%	1,374.37	9.92%	1,744.87	10.95%
<b>Total income</b>	<b>12,018.54</b>	<b>103.07%</b>	<b>14,371.36</b>	<b>103.72%</b>	<b>16,293.98</b>	<b>102.29%</b>
Less Related Transaction	(427.87)	(3.67%)	(582.10)	(4.20%)	(580.05)	(3.63%)
Add Unallocated Other	69.40	0.60%	66.20	0.48%	214.98	1.35%
<b>Grand total income</b>	<b>11,660.07</b>	<b>100.00%</b>	<b>13,855.46</b>	<b>100.00%</b>	<b>15,928.91</b>	<b>100.00%</b>

The 2017 grand total income was Baht 15,928.91 million, comprising of the income from Technology, Trading, and Services Business Segment with the proportion of 67.49%, 23.85% and 10.95% of grand total income, respectively. By comparing to the 2016 income, Technology Segment income of Baht 9,012.44 million had increased to Baht 10,750.28 million mainly as the result of the switching from the analog to digital system project from Broadcast Department, the expansion of telecommunications networks project and the increase in projects from IT and Telecommunication Group due to Thailand 4.0 scheme as announced by the public sector. In addition, the income from the Service Business Segment rose from Baht 1,374.37 million to Baht 1,744.87 million from its security business particularly for airports which had been going through continuous expansion. There was a slight drop of income in the Trading Segment which went from Baht 3,984.55 million to Baht 3,798.83 million as the Trading group stepped out from one of the consumer products. However, the Company has already started launching some new products in the market to compensate that drop in sales. Additionally, its foreign trading showed a tendency to generate more income, both in China and Myanmar.

In 2016, the grand total income of Baht 13,855.46 million came from Technology, Trading and Service Business Segments at 65.05%, 28.76% and 9.92% respectively. Vis-à-vis 2015 income, one can see an increase in the Technology Segment from Baht 7,021.20 million to Baht 9,012.44 million mainly as the result of the higher number of projects acquired by the Project Business Group particularly in IT and Telecom, projects from the Broadcast Department and power transmission line projects. Moreover, income from both Trading and Service Business Segments were increased i.e. from Baht 3,868.15 million to Baht 3,984.55 million in Trading from some consumer products and expansion of the HoReCa market, and from Baht 1,129.19 million to Baht 1,374.37 million for the Service Business Segment as the result of expansion of clientele base in the private sector



## Costs and Expenses

The Company had costs and expenses in 2015, 2016, and 2017 as follows:

Items	Consolidated financial statements					
	2015		2016		2017	
	Value	Per income	Value	Per income	Value	Per income
<b>Costs and Expenses</b>						
Cost of sale of goods and rendering of services	9,552.85	83.27%	11,770.19	85.85%	13,550.40	86.64%
Distribution costs	731.87	6.38%	792.80	5.78%	799.19	5.11%
Administrative expenses	1,546.42	13.48%	1,536.42	11.21%	1,481.72	9.47%
Loss from debt restructuring	-	0.00%	-	0.00%	337.27	2.16%
<b>Total costs and expenses</b>	<b>11,831.13</b>	<b>103.13%</b>	<b>14,099.42</b>	<b>102.84%</b>	<b>16,168.58</b>	<b>103.38%</b>
Share of profit of investments in associates and joint ventures, net	589.95	5.14%	653.57	4.77%	482.69	3.09%
Finance costs	154.91	1.35%	189.73	1.38%	187.82	1.20%
<b>Profit before income tax expense</b>	<b>263.98</b>	<b>2.30%</b>	<b>219.87</b>	<b>1.60%</b>	<b>55.20</b>	<b>0.35%</b>
Income tax	41.11	0.36%	42.76	0.31%	56.57	0.36%
<u>Less</u> Non-controlling interests	(12.95)	(0.11%)	(4.69)	(0.03%)	51.87	0.33%
<b>Profit to owners of the Company</b>	<b>209.92</b>	<b>1.83%</b>	<b>172.42</b>	<b>1.26%</b>	<b>50.49</b>	<b>0.32%</b>

### Cost of sales of goods and rendering of service

The Company's costs of sale of goods and rendering of services in 2017 and 2016 stood at Baht 13,550.40 million and Baht 11,770.19 million, increasing by 15.12% and 23.21% respectively, corresponding to the increasing sales revenue. Gross profit margin in 2017 stood at 13.36%, decreasing from 14.15% in 2016 and 16.73% in 2015. The decreases of gross profit margin were due to the higher competition.

### Distribution costs and administrative expenses

In 2017, the distribution costs for the Company's Groups amounted to Baht 799.19 million, increasing from Baht 792.80 million in 2016 whose distribution costs were higher than that of 2015 too. These are in line with the increase in total income. The distribution costs as a percentage of sales was approximately 5-6% during the 2015-2017 periods.

Major administrative expenses comprised of personnel wages, depreciation cost and amortization, office rental, equipment and vehicles. Administrative expenses of the Company in 2017 were at Baht 1,481.72 million, decreased from Baht 1,536.42 million in 2016 due to the policy to reduce redundant expenses and increase additional work efficiencies.

### Loss from debt restructuring

There was a loss from debt restructuring expense of a subsidiary (Loxley Wireless Public Company Limited). In December 2017, the subsidiary and a trade account receivable (The Office of the Welfare of the Promotion Commission for Teachers and Education Personnel (OTEP)) entered into a compromise agreement to have OTEP pay by installments of Baht 1,386.06 million within 6 years starting from January 2018. This installment plan caused the difference between the value of outstanding debt and the present value of the installments. Therefore, in 2017, the subsidiary had fully recorded a loss on debt restructuring of Baht 337.27 million.



### Financial cost

In 2017, the Company's financial costs amounted to Baht 187.82 million, decreasing by Baht 1.91 million from Baht 189.73 million in 2016 due to a drop in of bank overdrafts and short-term loans during the year from financial institutions. Additionally long-term liabilities and market interest rates were lower as well.

### Share of profit from investments

Among joint ventures of the Company, the major investment the Company made was in a galvanized steel and lubricant industries. The Company's shares of profit from investments in associates and joint ventures in 2015, 2016 and 2017 were Baht 589.95 million, Baht 653.57 million, and Baht 482.69 million, respectively. The decrease in 2017 was mainly from the performance of NS BlueScope Group who contributed shares of profit from investment of in 2016 and 2017 of Baht 224.50 million and Baht 114.99 million, respectively because of the change in its customer base and higher competition in the market.

### Profit before income tax expense and net profit

Net profit attributable to the equity holders of the Company in 2015, 2016 and 2017 was Baht 209.92 million, Baht 172.42 million and Baht 50.49 million, respectively.

The Company's net profits dropped in 2017 by Baht 121.93 million, or 70.72% from 2016 primarily because of a lower gross profit margin and a loss from debt restructuring.

## The Company's and subsidiaries' financial status as of 31 December 2015, 2016 and 2017

As of 31 December 2015, 2016 and 2017, assets, liability and shareholder's equity of the Company are as follows:

Unit : Million Baht	31 Dec 2015	31 Dec 2016	31 Dec 2017
Assets	14,282.99	15,709.87	16,209.64
Liabilities	7,689.58	9,085.28	9,915.59
Shareholders' equity	6,593.41	6,624.59	6,294.05
Total liabilities and shareholders' equity	14,282.99	15,709.87	16,209.64

### Assets

The Company's total assets as of 31 December 2015, 2016 and 2017 were Baht 14,282.99 million, Baht 15,709.87 million and 16,209.64 million, respectively. The asset value increased in 2016 and 2017.

### Significant assets are as follows:

#### Temporary Investment

Temporary investment funds consisted of fixed-term deposits and short-term financial institution promissory notes. As at 31 December 2015, 2016 and 2017, the Company and its subsidiaries had the temporary investments of Baht 661.02, 1,207.96 and 803.23 million, respectively. The movements in the temporary investments came from the regular changes in working capital management.



**Trade accounts receivable (short-term and long-term)**

As of 31 December 2015, 2016 and 2017, the Company's trade accounts receivable were Baht 3,345.26 million, Baht 3,934.46 million and Baht 2,665.22 million, respectively and the increase (decrease) rate at the end of 2016 and 2017 were 17.61% and (32.26%) 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. In 2015 and 2016, the major accounts receivable was from project work for the Office of the Welfare of the Promotion Commission for Teachers and Education Personnel (OTEP). In December 2017, the Company entered into a compromise agreement with OTEP; therefore, the debtor was classified in a new category as receivable under debt restructuring agreement.

The Company set up provision for doubtful accounts for trade and other accounts receivable for the year 2015, 2016 and 2017 of Baht 19.65 million, Baht 75.53 million and Baht 59.10 million, respectively.

**Receivable under debt restructuring agreement**

As of 31 December 2017, the Company's receivable under debt restructuring agreement was Baht 1,049 million from the total outstanding debt of Baht 1,386 million. The details are described in Loss from debt restructuring.

**Other receivables (short-term and long-term)**

As of 31 December 2015, 2016 and 2017, the Company's other receivables were Baht 507.05 million, Baht 493.26 million and Baht 516.49 million, respectively. The account consists of value added tax, promotion receivables, prepaid expenses, advance to employees, prepaid withholding tax, and deposit, etc. The (decrease) increase rate at the end of 2016 and 2017 were (0.03%) and 4.71% respectively.

**Non-billed trade accounts receivable (short-term and long-term)**

The non-billed trade accounts receivable represented 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 are incurred from 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 2015, 2016 and 2017, the Company's non-billed trade accounts receivables were Baht 1,825.06 million, Baht 1,471.07 million and Baht 2,481.89 million, respectively. At the end of 2016, non-billed trade account receivable decreased by 19.40% and increased by 68.71% at the end of 2017 because the Company gradually billed and collected payment from those large scale projects at the end of 2017.



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

As of 31 December 2015, 2016 and 2017, the total retentions receivable both short and long terms were Baht 373.51 million, Baht 224.67 million and Baht 236.93 million, respectively. The (decrease) increase as of year end of 2016 and 2017 were (39.85%) and 5.46% 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 had stock inventories as at 31 December 2015, 2016 and 2017 of Baht 1,043.89, 1,334.10 and 1,708.20 million respectively with rates of increase as at the end of 2016 and 2017 being 27.80% and 28.04% respectively. An increased stock inventory in 2017 stemmed mainly from works of installation to be delivered in 2018. The Company's main outstanding stock in its inventory consisted of goods available for sale such as consumer products and chemicals, project equipment and the Technology line's ongoing projects. The Company had set a provision for the reduced value of goods during 2015, 2016 and 2017 of Baht 14.14, 31.10 and 23.42 million, respectively.

### Advances paid to suppliers

Advances paid to suppliers as of 31 December 2015, 2016 and 2017 were Baht 243.98 million, Baht 305.48 million and Baht 227.54 million, respectively. The increases (decrease) at the end of 2016 and 2017 were 25.21% and (25.51%) respectively.

### Other current assets

Other current assets as of 31 December 2015, 2016 and 2017 were Baht 28.36 million, Baht 13.94 million and Baht 14.32 million, respectively. They included office equipments and staff uniforms receivable, etc. The (decrease) increase at the end of 2016 and 2017 were (50.85%) and 2.73%, respectively.

### Investments in associates and joint ventures

Investments in associates and joint ventures as of 31 December 2015, 2016 and 2017 were Baht 2,958.04 million, Baht 2,933.21 million and Baht 2,894.08 million, respectively. The decrease mainly due to the increase of investments, recognition of share of profit from associates, deducting by received dividend. The decreases as at the end of 2016 and 2017 were 0.84% and 1.33%, respectively. Changes in the Company's investment in 2017 are as follows:

In 2017, K2 Venture Capital Company Limited, an indirect associate, increased its registered share capital, with a fully paid up capital of Baht 100 million. A subsidiary paid up the increase in share capital according to percentage of shareholding of 50%, totaling Baht 49 million.

In January 2017, Loxley & AIT Holding Co., Ltd., an indirect joint venture, called for an additional paid-up of 25%. A subsidiary fully paid up according to percentage of holding of 50% (the Group indirectly held 43%) in the said company amounting of Bhat 25 million.

In March and June 2017, the Company invested in DM-Loxley Co., Ltd. amounting to Baht 16.2 million. The Company has an authorized share capital amounting to Baht 45 million and 80% paid-up and engages in the business of providing water supply services. The Company held 45% of shares and voting right in the associate.



### Other long-term investments

Other long-term investments as of 31 December 2015, 2016 and 2017 were Baht 538.32 million, Baht 499.95 million and Baht 710.76 million, respectively. The (decrease) increase as at the end of 2016 and 2017 were (7.13%) and 42.17% respectively. The main reason came from an increase of investment in available for sale securities. As of 31 December 2017, the long-term investments included investment in Muang Thai Insurance Public Company Limited of Baht 438 million, QTC Energy Public Company Limited of Baht 201 million, Thanakorn Vegetable Oil Company Limited of Baht 39 million and other investments of Baht 33 million.

### Property, plant and equipment

Fixed assets included property, buildings and extension, furniture, office equipment, tools and equipment, rental equipment, vehicles and project in progress. On 31 December 2015, 2016 and 2017, such fixed assets values were Baht 1,687.77 million, Baht 1,823.13 million and Baht 1,204.12 million, respectively. The decrease in 2017 was due to the sales of the investment in L Solar 1 Co., Ltd., a subsidiary of the Company.

### Real estate for investment

Fair value of real estate for investment of Loxley Group (as appeared in the consolidated financial statement) and of the Company (as appeared in separate financial statement) as of 31 December 2016 and 2017 accounted at Baht 477.17 million and Baht 127.60 million respectively. The fair value assessed by independent assessor approved by the SEC office was based on the present value of net cash flows to be generated from the property.

### Intangible asset

Intangible assets of the Company include software licenses. As of 31 December 2015, 2016 and 2017, intangible assets were Baht 51.40 million, Baht 86.74 million and 90.06 million, respectively. The increases at the end of 2016 and 2017 were 68.75% and 3.83% respectively.

## Liabilities

The Company's total liabilities as of 31 December 2015, 2016 and 2017 were Baht 7,689.58 million, Baht 9,085.28 million and Baht 9,915.59 million, respectively, representing 18.15% and 9.14% by the end of 2016 and 2017.

### Significant liabilities are as follows:

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

As of 31 December 2015, 2016 and 2017, the Company's bank overdraft and short-term loan from financial institutions were Baht 2,071.85 million, Baht 1,990.55 million and Baht 1,815.36 million, respectively. The decrease at the end of 2016 and 2017 were 3.92% and 8.80% respectively. The bank overdraft and short-term loans from financial institutions comprised bank overdraft, short-term loans and debts from trust receipts. Short-term loan in 2015 and 2016 were mainly from Office of the Welfare Promotion Commission for Teachers and Educational Personnel (OTEP) project. In April 2017, this short-term loan was approved to extend the repayment period therefore, this short-term loan was reclassified as a long-term loan as of 31 December 2017.



### Trade accounts payable

Trade accounts payable as of 31 December 2015, 2016 and 2017 were Baht 1,722.35 million, Baht 2,270.16 million and Baht 2,922.52 million, respectively. The increase at the end of 2016 and 2017 were 31.81% and 28.74% respectively. Most of them were trade payables from projects handling. The increase of trade accounts payable was in line with income and working capital management.

### Other payables (short-term and long-term)

Other payables as of 31 December 2015, 2016 and 2017 were Baht 920.54 million, Baht 1,192.25 million and Baht 1,223.80 million, respectively. The increase at the end of 2016 and 2017 were 29.52% and 2.66% respectively. As of 31 December 2017, the Company's other payables consisted of accrued cost and warranty cost in 2017. The increase of other payables was mainly from projects' accrued cost and warranty cost.

### Advances received from customers

Advances received from customers as of 31 December 2015, 2016 and 2017 were Baht 623.40 million, Baht 1,226.67 million and Baht 852.08 million, respectively. The increases (decrease) at the end of 2016 and 2017 were 96.77% and (30.54%) respectively. In 2017, the decrease came from a drop in advances received from customers of IT Business under Technology Business Segment as the works were gradually installed and the revenue was recognized.

### Short-term loans from related parties

Short-term loans from related parties as of 31 December 2015, 2016 and 2017 were Baht 0.28 million, Baht 102.28 million and Baht 80.28 million, respectively. Increase at the end of 2016 was over 100% and (decrease) in 2017 was (21.51%). On 31 December 2017, the Company's short-term loans from related parties were Baht 80.28 million, comprising of the short-term loan from major shareholder of Baht 80 million and from director of Baht 0.28 million.

### Long-term liabilities

Unit : Million Baht	31 Dec 2015	31 Dec 2016	31 Dec 2017
- Current portion of long-term liabilities	124.15	140.57	68.05
- Long-term liabilities	346.32	356.61	1,160.61
- Long-term debentures	1,000.00	1,000.00	1,000.00
<b>Total long-term liabilities</b>	<b>1,470.47</b>	<b>1,497.18</b>	<b>2,228.66</b>

Long-term liabilities as of 31 December 2015, 2016 and 2017 were Baht 1,470.47 million, Baht 1,497.18 million and Baht 2,228.66 million, respectively. The increases at the end of 2016 and 2017 were 1.82% and 48.86%, respectively. As of 31 December 2017, the Company's long-term liabilities comprised of 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 2015, 2016 and 2017 were Baht 534.68 million, Baht 554.78 million and Baht 577.95 million, respectively. The increases at the end of 2016 and 2017 were 3.76% and 4.18% respectively. The Company forecasted such obligations using the Projected Unit Credit Method handled by independent actuaries.



## Shareholders' equity

Shareholders' equity as of 31 December 2017 was Baht 6,294.05 million, comprising of 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 135.14 million and Baht 1,197.32 million, respectively, and other components of equity of Baht 2,097.41 million.

- Increasing shareholders' equity in each year was driven by the Company's operating performance.
- In April 2015, the Company allocated Baht 22.05 million of profit for legal reserves and approved cash dividend at Baht 0.10 per share.
- In April 2016, the Company allocated Baht 8.08 million of profit for legal reserves and approved cash dividend at Baht 0.05 per share.
- In April 2017, the Company allocated Baht 15.17 million of profit for legal reserves and approved cash dividend at Baht 0.07 per share.

## Cash flow of the Company and subsidiaries at the end of 2015, 2016 and 2017

Net cash flow from (used in) operations in 2015, 2016 and 2017 was (Baht 1,782.46 million), Baht 935.02 million, and (Baht 1,054.87 million), respectively. As for 2015 and 2017, Net Cash Flow from operating activities was in the minus as the result of changes in working capital which increased in line with the increased revenue of project works. Major changes in 2017 working capital came from major changes of assets and operating liabilities such as an increase in trade accounts receivable of Baht 159.92 million, an increase in other receivables of Baht 113.53 million, an increase in unbilled trade accounts receivable of Baht 1,023.03 million, an increase in inventories of Baht 402.59 million, an increase in trade accounts payable of Baht 655.48 million, and a decrease in advances received from customers of Baht 373.56 million. The Company paid Baht 176.52 million for income tax and withholding tax of 2017.

The Company's net cash provided by (used in) investment activities in 2015, 2016 and 2017 were Baht 415.45, (450.17) and 961.35 million respectively. Net Cash Flow provided by (used in) these activities in 2015, 2016 and 2017 were dividends received of Baht 606.61, 703.48 and 644.33 million respectively; investment in land, building and equipment increased by Baht 88.89, 236.21 and 126.60 million respectively. Furthermore, in 2017, the Company reduced its temporary investment by Baht 407.69 million and, with the impact on its net cash flow as the result of sale of its subsidiary, its equity in subsidiaries dropped by Baht 164.10 million.

The Company's net cash provided by (used in) financing activities 2015, 2016 and 2017 was Baht 343.03 million, (Baht 386.15 million) and Baht 362.33 million, respectively. Significant financing activities in 2015, 2016 and 2017 came from the increase (decreases) of bank overdraft and short-term loans from financial institutions of Baht 475.47 million, (Baht 81.30 million) and Baht 847.89 million, respectively; repayment of long-term liabilities of Baht 1,638.21, 128.07 and 120.26 million, respectively. The Company paid finance costs of Baht 155.71, 189.79 and 171.03 million respectively. In 2015, 2016 and 2017, the Company paid cash dividends of Baht 226.50, 113.25 and 158.55 million, respectively. Besides, in 2015, there were increases in its long-term loans and long-term bonds of Baht 800 million and Baht 1,000 million respectively. In 2016, there were additional long-term loans of Baht 145 million.

Therefore, in 2015, 2016 and 2017, the Company's net cash and cash equivalents increase (decrease) were (Baht 1,023.98 million), Baht 98.70 million and Baht 268.80 million, respectively.



## The Company's financial ratio analysis

### LIQUIDITY RATIO

Liquidity Ratio	2015	2016	2017
Current ratio (times)	1.47	1.14	1.35
Quick ratio (times)	1.19	0.87	1.01
Flow liquidity (times)	(0.31)	0.15	(0.15)
Account receivable turnover (times)*	2.47	3.01	3.02
Collection period (days)**	145.98	119.72	119.25
Inventory turnover (times)	8.09	9.63	8.72
Inventory turnover period (days)	44.48	37.39	41.29
Account payable turnover (times)	4.77	5.90	5.22
Payment period (days)	75.49	61.06	68.98
Cash cycle (days)	114.97	96.05	91.56

\* Account receivable turnover is calculated on accounts receivable, excluded OTEP.

\* Period of debt-collection is calculated on the aggregate total of trade accounts receivable, unbilled trade accounts receivable and retentions receivable.

The Company's current ratio during 2015-2017 had been more than 1.00 time because the Company's current assets were more than current liabilities. Major current assets comprised of trade and other accounts receivable, unbilled trade accounts receivable and inventories. Current liabilities consisted of bank overdrafts and short-term loans from financial institutions, trade and other accounts payable, advances received from customers, most of which was in correspondent to the projects handled by the Technology Business Segment and the Trading Business Segment.

Cash cycle in 2015-2017 was 114.97 days, 96.05 days and 91.56 days, respectively. Cash cycle using less time on a continuous basis was the result of managing both collection period from debtors and repayment period to creditors.

### PROFITABILITY RATIO

Profitability Ratio	2015	2016	2017
Profitability Ratio	16.73%	14.15%	13.36%
Gross profit margin (%)	1.83%	1.26%	0.32%
Operating profit margin (%)	(849.10%)	542.28%	(2,089.15%)
Cash on net profit ratio (%)	1.80%	1.24%	0.32%
Net profit margin (%)	3.42%	2.77%	0.81%

Ratio showing the Company's ability to generate profits, including gross profit margin, operating profit margin, net profit margin and return on shareholder equity dropped mainly due to the increased competition and the recognition of loss from debt restructuring in 2017 which trimmed 2017's net profit down.



**EFFICIENCY RATIO**

Efficiency Ratio	2015	2016	2017
Return on assets (%)	1.50%	1.15%	0.32%
Return on fixed assets (%)	28.99%	21.56%	16.59%
Asset turnover (times)	0.83	0.92	1.00

Return on assets (ROA) of the Company in 2015, 2016 and 2017 were 1.50%, 1.15% and 0.32% respectively. ROA had declined gradually due to a drop in the Company's net profit. This was the result of the lower gross profit margin caused by a highly competitive economic conditions as well as the recognition of loss from debt restructuring in 2017 which trimmed 2017's net profit down.

**FINANCIAL POLICY RATIO**

Financial Policy Ratio	2015	2016	2017
Debt to equity (times)	1.17	1.37	1.58
Interest coverage (times)	(11.24)	5.15	(5.32)
Dividend payout ratio (%)	53.95%	91.95%	N/A

The Company's debt to equity ratios for 2015, 2016 and 2017 were 1.17, 1.37 and 1.58 times respectively. The increase in 2017 resulted from higher project revenue which required additional project finance to manage the projects. However, the project finance will gradually decline once each particular project is completed.

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

In January 2018, the Company incorporated a new subsidiary, The Foodsource Co., Ltd., with a registered and paid-up share capital of Baht 3 million. This subsidiary engages in the import, the wholesale, and the distribution of food ingredients and food products. The Company's holds 90% of shares with the voting right in this subsidiary.



# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of Loxley Public Company Limited

### *Qualified Opinion*

I have audited the 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 2017, 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.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying 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 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### *Basis for Qualified Opinion*

As described in note 12 to the financial statements, the consolidated financial statements as at 31 December 2017 and 2016 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 2017 and 2016 which were audited by other auditors and for the six-month period ended 31 December 2017 and 2016 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 2017 and 2016, which amounted to Baht 1,669 million and Baht 1,721 million, respectively, and the share of their net profit for the years ended 31 December 2017 and 2016, which were Baht 114 million and Baht 225 million, respectively. Consequently, I was unable to determine whether any adjustments to these amounts were necessary.

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.



In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform, I conclude that there is a material misstatement of this other information, I am required to report that fact. However, as described in the *Basis for Qualified Opinion* section above, I was unable to obtain sufficient appropriate evidence about the carrying amount at equity method of those investments in the consolidated financial statements as at 31 December 2017 and 2016, and the share of their net profit for the years ended 31 December 2017 and 2016. Accordingly, other information which prepared based on financial information from these consolidated financial statements, I will be unable to conclude whether or not the other information is materially misstated with respect to this matter.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Recognition of contract revenue and related receivables	
Refers to the notes 2(d), 3(e) and 3(p) to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>The Group's major revenue is rendering of services related to technology business. Some of these service contracts account for revenue and margin based on the stage of completion of individual contracts, assessed by reference to the engineers' surveys of work performed and the proportion of costs incurred to the reporting date compared to the estimated final costs of the contract at completion.</p> <p>The accurate recording of contract revenue, and related receivables is highly dependent on the following key factors:</p> <ul style="list-style-type: none"> <li>• The engineers' surveys of work performed;</li> <li>• The estimated final costs of the contract at completion; and</li> <li>• Revision for certain events or condition that occur or expected to occur to complete the contract including variations result in adjustments of these estimates that could give rise to variances in the amounts recognised.</li> </ul>	<p>I evaluated the controls designed and implemented by the Group and tested the operating effectiveness of relevant controls regarding review of contract, cost estimate and provision for contract loss. I then selected a sample of contracts using a variety of quantitative and qualitative factors in order to assess and challenge the most significant and more complex contract positions. In this area, my audit procedures included:</p> <ul style="list-style-type: none"> <li>• Challenging competency of the Group's engineers in respect of estimation the stage of completion of individual projects;</li> <li>• inspecting key terms in the contracts relating to estimates made and revenue recognition in the financial statements;</li> <li>• obtaining detailed position papers from the management and assessing the reasonableness of estimates by reviewing the result of estimates in previous years;</li> <li>• testing mathematical accuracy of contract revenue and related receivables;</li> <li>• testing the details of actual costs incurred by tracing to sufficient supporting documents;</li> <li>• assessing the Group's ability to deliver contracts within budget by analysing the relationship of cost versus billing on contracts;</li> <li>• physically inspecting the existence and the reasonableness of stage of completion of individual projects; and</li> </ul>



Recognition of contract revenue and related receivables	
Refers to the notes 2(d), 3(e) and 3(p) to the financial statements.	
The key audit matter	How the matter was addressed in the audit
I focused on this area as a key audit matter due to the number and type of estimation events over the course of the contract life, the wide variety of unique contract conditions, leading to complex and highly judgmental revenue recognition from contracts.	<ul style="list-style-type: none"> <li>considering the Company's disclosures in accordance with the related Thai Financial Reporting Standards</li> </ul>

Valuation of investments in subsidiaries, associates and joint ventures.	
Refers to the notes 2(d), 3(g), 3(k), 12 and 13 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The Company held a number of investments in subsidiaries, associates, and joint ventures. In considering the investment in each project, the Group has policy in place to consider the future possibility of the project, the returns expected to be recovered from the investment, and other factors that might impact to the investment. In addition, the Group determines whether there is any indication of impairment on a regular basis. This area involves management's judgment, therefore, I focused on as a key audit matter.	<p>My audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>inspecting the design and implementation of relevant controls;</li> <li>considering the profitability of the investee, historical financial information and other information to assess the sufficiency of allowance for impairment of investment;</li> <li>assessing the Group's budgeting procedures which is the source of discounted future cash flow model;</li> <li>challenging the key assumptions by comparing against the historical and external information regarding key inputs such as the revenue, the cost, the capital and operating expenditures, and the discount rate;</li> <li>testing mathematical accuracy; and</li> <li>considering the Group's disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>

Valuation of accounts receivable	
Refers to the notes 2(d), 3(e), 8 and 10 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The Group's accounts receivable mainly comprise of private companies, government agencies and state enterprises. Certain Group's accounts receivable have significant outstanding balances and expose the Group to additional credit risk by given the age profile and high debt levels. In assessing the recoverability, it involves management's judgment, therefore, I focused on as a key audit matter.	<p>My audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>testing the design and implementation and the effectiveness of the Group's controls over the monitoring of receivables and over the collection process;</li> <li>challenging the provision policies by considering the historical cash collection trends, the receivables' ability to pay, as well as the lawyer confirmation relating to the receivables, and testing the reversal of provisions previously made;</li> </ul>



Valuation of accounts receivable	
Refers to the notes 2(d), 3(e), 8 and 10 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
	<ul style="list-style-type: none"> <li>• testing the completeness and accuracy of information provided by the entity and the accuracy of the provision calculation;</li> <li>• analyzing all items of overdue balance over normal credit term without setting up allowance for; and</li> <li>• considering the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

#### *Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Veerachai Ratanajaratkul)  
 Certified Public Accountant  
 Registration No. 4323

KPMG Phoomchai Audit Ltd.  
 Bangkok  
 22 February 2018



## STATEMENT OF FINANCIAL POSITION

Loxley Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
(in Baht)					
Current assets					
Cash and cash equivalents	6	1,099,928,820	833,668,403	224,660,367	226,652,535
Current investments		803,225,035	1,207,960,943	223,399,707	348,318,664
Trade accounts receivable	8, 19	2,665,217,249	2,548,395,602	1,164,065,601	1,224,303,295
Other receivables	9	291,445,856	199,776,099	132,795,776	64,915,434
Current portion of receivable under debt restructuring agreement	10	106,106,017	-	-	-
Unbilled trade accounts receivable		2,339,191,904	1,461,031,141	1,769,635,229	869,879,461
Retentions receivable		122,383,623	16,983,258	104,170,623	16,983,258
Short-term loans to related parties	5	2,000,000	-	115,180,000	-
Short-term loans to other parties		3,251,460	10,918,641	-	-
Inventories	11	1,708,196,744	1,334,095,996	398,158,904	352,082,409
Advances paid to suppliers		227,535,797	305,475,545	124,927,469	192,375,584
Dividend receivables	5	-	-	233,000,000	-
Other current assets		14,315,772	13,936,338	505,603	1,342,386
Total current assets		9,382,798,277	7,932,241,966	4,490,499,279	3,296,853,026
Non-current assets					
Investments in associates and joint ventures	12	2,894,081,774	2,933,212,123	971,610,512	953,480,012
Investments in subsidiaries	13	-	-	2,134,284,487	2,486,637,798
Other long-term investments	15	710,763,462	499,948,320	654,408,686	462,818,120
Non-current trade accounts receivable	8, 10	-	1,386,062,385	-	-
Non-current other receivables	9	225,048,370	293,480,520	75,468,704	79,073,184
Receivable under debt restructuring agreement	10	942,690,146	-	-	-
Non-current unbilled trade accounts receivable		142,694,440	10,043,759	142,694,440	10,043,759
Non-current retentions receivable		114,549,070	207,688,223	114,549,070	189,725,723
Investment properties	16, 19	477,173,809	477,173,809	127,600,000	127,600,000
Property, plant and equipment	17, 19	1,204,122,559	1,823,126,435	519,264,429	527,685,952
Intangible assets	18	90,064,989	86,737,722	49,223,011	47,361,626
Other non-current assets	7	25,651,262	60,157,971	-	-
Total non-current assets		6,826,839,881	7,777,631,267	4,789,103,339	4,884,426,174
Total assets		16,209,638,158	15,709,873,233	9,279,602,618	8,181,279,200

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



# STATEMENT OF FINANCIAL POSITION

Loxley Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016

(in Baht)

<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	19	1,815,357,539	1,990,552,966	771,346,596	381,660,512
Trade accounts payable	20	2,922,518,095	2,270,158,811	1,279,304,645	688,099,824
Other payables	21	1,210,839,607	1,180,752,810	407,035,121	394,391,230
Advances received from customers		852,080,486	1,226,672,728	262,069,845	396,323,352
Current portion of long-term liabilities	19	68,054,259	140,565,540	-	-
Short-term loans from related parties	5, 19	80,280,000	102,280,000	206,000,000	100,000,000
Short-term loans from other party	19	8,792,923	22,526,916	-	-
Income tax payable		1,081,900	20,308,147	-	-
<b>Total current liabilities</b>		<b>6,959,004,809</b>	<b>6,953,817,918</b>	<b>2,925,756,207</b>	<b>1,960,474,918</b>
<b>Non-current liabilities</b>					
Non-current other payables	21	12,955,646	11,497,063	-	-
Long-term liabilities	19	1,160,610,962	356,611,550	-	-
Long-term debentures	19	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Deferred tax liabilities	22	205,065,527	208,567,054	167,593,077	171,094,720
Provisions for employee benefits	23	577,954,882	554,783,340	313,591,829	327,907,427
<b>Total non-current liabilities</b>		<b>2,956,587,017</b>	<b>2,131,459,007</b>	<b>1,481,184,906</b>	<b>1,499,002,147</b>
<b>Total liabilities</b>		<b>9,915,591,826</b>	<b>9,085,276,925</b>	<b>4,406,941,113</b>	<b>3,459,477,065</b>

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



## STATEMENT OF FINANCIAL POSITION

Loxley Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
(in Baht)					
Equity					
Share capital	24,25				
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		2,264,954,920	2,264,954,770	2,264,954,920	2,264,954,770
Additional paid in capital					
Premium on ordinary shares	24	503,250,900	503,250,000	503,250,900	503,250,000
Retained earnings					
Appropriated					
Legal reserve	26	135,142,500	118,971,500	135,142,500	118,971,500
Unappropriated		1,197,318,270	1,321,543,193	1,306,380,876	1,157,686,987
Other components of equity	26	2,097,408,501	2,086,666,615	662,932,309	676,938,878
Equity attributable to equity holders of the Company		6,198,075,091	6,295,386,078	4,872,661,505	4,721,802,135
Non-controlling interests	14	95,971,241	329,210,230	-	-
Total equity		6,294,046,332	6,624,596,308	4,872,661,505	4,721,802,135
Total liabilities and equity		16,209,638,158	15,709,873,233	9,279,602,618	8,181,279,200

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



# STATEMENT OF INCOME

Loxley Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2017	2016	2017	2016
(in Baht)					
Income	27				
Revenue from sale of goods and rendering of services	5	15,639,450,495	13,709,771,820	6,960,968,033	5,870,162,128
Gain on sales of investments	4,12	96,882,048	17,187,980	200,097,465	2,709,257
Fees and other income	5,28	192,578,441	128,497,431	907,739,337	866,456,020
Total income		15,928,910,984	13,855,457,231	8,068,804,835	6,739,327,405
Expenses					
Cost of sale of goods and rendering of services	5	13,550,402,166	11,770,194,694	6,166,627,864	5,051,899,497
Distribution costs	5,29	799,193,122	792,801,881	437,373,610	447,520,080
Administrative expenses	5,30	1,818,986,455	1,536,423,810	1,066,848,575	849,336,900
Finance costs	5	187,818,304	189,732,177	74,543,063	85,265,549
Total expenses	32	16,356,400,047	14,289,152,562	7,745,393,112	6,434,022,026
Share of profit of investments in associates and joint ventures, net	12	482,688,124	653,568,432	-	-
Profit before income tax expense		55,199,061	219,873,101	323,411,723	305,305,379
Income tax expense	33	(56,573,352)	(42,758,070)	-	(1,860,000)
Profit (loss) for the year		(1,374,291)	177,115,031	323,411,723	303,445,379
Profit (loss) attributable to:					
Owners of the Company		50,492,911	172,423,338	323,411,723	303,445,379
Non-controlling interests	14	(51,867,202)	4,691,693	-	-
Profit (loss) for the year		(1,374,291)	177,115,031	323,411,723	303,445,379
Earnings per share	34				
Basic earnings per share		0.02	0.08	0.14	0.13
Diluted earnings per share		0.02	0.08	0.14	0.13

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



## STATEMENT OF COMPREHENSIVE INCOME

Loxley Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
Profit (loss) for the year	(1,374,291)	177,115,031	323,411,723	303,445,379
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain on revaluation of property, net	-	91,667,840	-	58,074,240
	-	91,667,840	-	58,074,240
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(4,107,054)	(405,125)	-	-
Net change in fair value of available-for-sale investments	(14,006,109)	(30,696,683)	(14,006,569)	(30,696,683)
	(18,113,163)	(31,101,808)	(14,006,569)	(30,696,683)
Other comprehensive income for the year	(18,113,163)	60,566,032	(14,006,569)	27,377,557
Total comprehensive income for the year	(19,487,454)	237,681,063	309,405,154	330,822,936
Total comprehensive income attributable to:				
Owners of the Company	32,379,748	257,967,914	309,405,154	330,822,936
Non-controlling interests	(51,867,202)	(20,286,851)	-	-
Total comprehensive income for the year	(19,487,454)	237,681,063	309,405,154	330,822,936

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													
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity						Equity attributable to owners of the Company	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Exchange differences on translating foreign operations	Fair value changes of available-for-sale investments, net	Revaluation surplus on assets, net		Change in percentage of holding in subsidiaries and associates	Total other components of equity			
								Portion of Company	Portion of subsidiary					
(in Baht)														
Year ended 31 December 2016														
Balance at 1 January 2016		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
Transactions with owners, recorded directly in equity														
Contributions by and distributions to equity holders														
Paid-up share capital of non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	6,849,925	6,849,925
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(16,061,850)	(16,061,850)
Dividends to owners of the Company	35	-	-	-	(113,247,739)	-	-	-	-	-	-	(113,247,739)	-	(113,247,739)
Total contributions by and distributions to equity holders		-	-	-	(113,247,739)	-	-	-	-	-	-	(113,247,739)	(9,211,925)	(122,459,664)
Changes in ownership interests in subsidiaries														
Decrease in non-controlling interests with a change in control	13	-	-	-	-	-	-	-	-	(12,977,143)	(12,977,143)	(12,977,143)	-	(12,977,143)
Increase and decrease in non-controlling interests without a change in control, net		-	-	-	-	567,046	-	-	-	2,615,893	3,182,939	3,182,939	(74,241,539)	(71,058,600)
Total changes in ownership interests in subsidiaries		-	-	-	-	567,046	-	-	-	(10,361,250)	(9,794,204)	(9,794,204)	(74,241,539)	(84,035,743)
Total transactions with owners, recorded directly in equity		-	-	-	(113,247,739)	567,046	-	-	-	(10,361,250)	(9,794,204)	(123,041,943)	(83,453,484)	(208,495,407)
Comprehensive income for the year														
Profit or loss		-	-	-	172,423,338	-	-	-	-	-	-	172,423,338	4,891,693	177,115,031
Other comprehensive income		-	-	-	-	(405,125)	(30,696,683)	58,074,240	58,572,144	-	85,544,576	85,544,576	(24,978,544)	60,566,032
Total comprehensive income for the year		-	-	-	172,423,338	(405,125)	(30,696,683)	58,074,240	58,572,144	-	85,544,576	257,967,914	(20,286,851)	237,681,063
Transfer to legal reserve	26	-	-	15,173,000	(15,173,000)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2016		2,264,954,770	503,250,000	118,971,500	1,321,543,193	(2,586,357)	321,723,582	355,215,296	137,830,880	1,274,483,214	2,086,666,615	6,295,386,078	329,210,230	6,624,596,308

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													
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Exchange differences on translating foreign operations	Fair value changes of available-for-sale investments, net	Other components of equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity	
				Legal reserve	Unappropriated			Revaluation surplus on assets, net		Change in percentage of holding in subsidiaries and associates				Total other components of equity
								Portion of Company	Portion of subsidiary					
(in Baht)														
Year ended 31 December 2017		2,264,954,770	503,250,000	118,971,500	1,321,543,193	(2,586,357)	321,723,582	355,215,296	137,830,880	1,274,483,214	2,086,666,615	6,295,386,078	329,210,230	6,624,596,308
Balance at 1 January 2017														
Transactions with owners, recorded directly in equity														
Contributions by and distributions to equity holders														
Shares options exercised	24,25	150	900	-	-	-	-	-	-	-	-	1,050	-	1,050
Paid-up share capital of non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	7,999,800	7,999,800
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(8,002,500)	(8,002,500)
Dividends to owners of the Company	35	-	-	-	(158,546,834)	-	-	-	-	-	-	(158,546,834)	-	(158,546,834)
Total contributions by and distributions to equity holders		150	900	-	(158,546,834)	-	-	-	-	-	-	(158,545,784)	(2,700)	(158,548,484)
Changes in ownership interests in subsidiaries														
Decrease in non-controlling interests without a change in control		-	-	-	-	-	-	-	-	28,855,049	28,855,049	28,855,049	(54,592,281)	(25,737,232)
Decrease in non-controlling interests with a change in control		-	-	-	-	-	-	-	-	-	-	-	(126,776,806)	(126,776,806)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	28,855,049	28,855,049	28,855,049	(181,369,087)	(152,514,038)
Total transactions with owners, recorded directly in equity		150	900	-	(158,546,834)	-	-	-	-	28,855,049	28,855,049	(129,690,735)	(181,371,787)	(311,062,522)
Comprehensive income for the year														
Profit or loss		-	-	-	50,492,911	-	-	-	-	-	-	50,492,911	(51,867,202)	(1,374,291)
Other comprehensive income		-	-	-	-	(4,107,054)	(14,006,109)	-	-	-	(18,113,163)	(18,113,163)	-	(18,113,163)
Total comprehensive income for the year		-	-	-	50,492,911	(4,107,054)	(14,006,109)	-	-	-	(18,113,163)	32,379,748	(51,867,202)	(19,487,454)
Transfer to legal reserve	26	-	-	16,171,000	(16,171,000)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2017		2,264,954,920	503,250,900	135,142,500	1,197,318,270	(6,693,411)	307,717,473	355,215,296	137,830,880	1,303,338,263	2,097,408,501	6,198,075,091	95,971,241	6,294,046,332

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



# STATEMENT OF CHANGES IN EQUITY

Loxley Public Company Limited and its subsidiaries

	Note	Separate financial statements							
		Retained earnings		Other components of equity				Total equity	
				Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated		Fair value changes of available-for-sale investments, net
(in Baht)									
Year ended 31 December 2016									
Balance at 1 January 2016		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
Transactions with owners, recorded directly in equity									
Contributions by and distributions to equity holders									
Dividends to owners of the Company	35	-	-	-	(113,247,739)	-	-	-	(113,247,739)
Total contributions by and distributions to equity holders		-	-	-	(113,247,739)	-	-	-	(113,247,739)
Comprehensive income for the year									
Profit or loss		-	-	-	303,445,379	-	-	-	303,445,379
Other comprehensive income		-	-	-	-	(30,696,683)	58,074,240	27,377,557	27,377,557
Total comprehensive income for the year		-	-	-	303,445,379	(30,696,683)	58,074,240	27,377,557	330,822,936
Transfer to legal reserve	26	-	-	15,173,000	(15,173,000)	-	-	-	-
Balance at 31 December 2016		2,264,954,770	503,250,000	118,971,500	1,157,686,987	321,723,582	355,215,296	676,938,878	4,721,802,135

(in Baht)

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



## STATEMENT OF CHANGES IN EQUITY

Loxley Public Company Limited and its subsidiaries

	Note	Separate financial statements						
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		
				Legal reserve	Unappropriated	Fair value changes of available-for-sale investments, net	Revaluation surplus on assets, net	Total other components of equity
(in Baht)								
Year ended 31 December 2017								
Balance at 1 January 2017		2,264,954,770	503,250,000	118,971,500	1,157,686,987	321,723,582	355,215,296	4,721,802,135
Transactions with owners, recorded directly in equity								
Contributions by and distributions to equity holders								
Shares options exercised	24,25	150	900	-	-	-	-	1,050
Dividends to owners of the Company	35	-	-	-	(158,546,834)	-	-	(158,546,834)
Total contributions by and distributions to equity holders		150	900	-	(158,546,834)	-	-	(158,545,784)
Comprehensive income for the year								
Profit or loss		-	-	-	323,411,723	-	-	323,411,723
Other comprehensive income		-	-	-	-	(14,006,569)	-	(14,006,569)
Total comprehensive income for the year		-	-	-	323,411,723	(14,006,569)	-	309,405,154
Transfer to legal reserve								
	26	-	-	16,171,000	(16,171,000)	-	-	-
Balance at 31 December 2017		2,264,954,920	503,250,900	135,142,500	1,306,380,876	307,717,013	355,215,296	4,872,661,505

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



# STATEMENTS OF CASH FLOWS

Loxley Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2017	2016	2017	2016
(in Baht)					
Cash flows from operating activities					
Profit (loss) for the year		(1,374,291)	177,115,031	323,411,723	303,445,379
Adjustments to reconcile profit (loss) to cash receipts (payments)					
Depreciation and amortisation		200,624,701	205,996,382	45,428,384	46,254,301
Interest income		(35,193,853)	(35,245,267)	(36,804,962)	(29,646,573)
Finance costs		187,818,304	189,732,177	74,543,063	85,265,549
Unrealised loss (gain) on exchange		(1,717,772)	2,296,499	450,506	2,641,313
Dividends received		(28,878,659)	(27,410,343)	(739,272,788)	(782,173,959)
Written off withholding tax deducted at source		699,464	7,812,481	4,680	-
Written off other long-term investment		13,997	-	13,997	-
Set up provision for:					
- Doubtful accounts for trade, other accounts receivable, and retentions receivable		87,049,290	106,422,383	73,707,907	105,358,033
- Doubtful accounts for short-term loans to related parties		10,200,000	9,350,000	10,200,000	9,350,000
- Decline in value of inventories		23,418,069	31,101,040	7,357,548	6,397,579
- Decline in value of investment in subsidiaries		-	-	254,670,000	30,000,000
Impairment losses on property, plant and equipment and intangible assets		-	5,969,836	-	1,385,243
Loss on debt restructuring	10	337,266,222	-	-	-
Gain on sales of investments in subsidiaries	4	(96,882,048)	-	(200,097,465)	(2,709,257)
Gain on sales of investments in associate	12	-	(17,187,980)	-	-
Unrealised gain on revaluation of investment property, net	16	-	(5,506,009)	-	(9,300,000)
Loss on disposals of/written-off property, plant and equipment and intangible assets		23,946,988	10,365,582	393,150	665,654
Share of profit from investments in associates and joint ventures, net	12	(482,688,124)	(653,568,432)	-	-
Exchange differences on translating foreign operations		(4,107,054)	(405,125)	-	-
Income tax expense		56,573,352	42,758,070	-	1,860,000
		276,768,586	49,596,325	(185,994,257)	(231,206,738)

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



## STATEMENTS OF CASH FLOWS

Loxley Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2017	2016	2017	2016
(in Baht)					
Changes in operating assets and liabilities					
Trade accounts receivable		(159,920,211)	(641,181,128)	17,561,228	(333,082,159)
Other receivables		(113,525,204)	(4,577,409)	(65,816,769)	38,918,818
Unbilled trade accounts receivable		(1,023,033,296)	352,423,276	(1,035,110,609)	233,453,652
Retentions receivable		(12,261,212)	145,305,863	(12,010,712)	145,305,863
Inventories		(402,587,700)	(319,417,450)	(53,434,043)	137,786,951
Advances paid to suppliers		77,924,154	(61,488,809)	67,432,521	(10,035,446)
Other current assets		(379,432)	7,886,132	836,783	122,411
Trade accounts payable		655,477,331	557,055,303	591,871,312	(202,448,244)
Other payables		17,727,363	268,882,730	12,300,505	145,199,462
Advances received from customers		(373,563,044)	598,102,791	(133,224,309)	(32,416,204)
Provisions for employee benefits		23,171,542	20,105,755	(14,315,598)	17,391,010
Withholding tax deducted at source refunded		155,844,907	97,236,188	56,687,754	81,995,842
Income tax and withholding tax deducted at source paid		(176,515,121)	(134,906,145)	(53,729,943)	(56,964,679)
Net cash provided by (used in) operating activities		(1,054,871,337)	935,023,422	(806,946,137)	(65,979,461)
Cash flows from investing activities					
Interest received		12,428,938	5,617,604	8,907,214	2,320,478
Dividends received		644,326,282	703,479,728	506,272,788	847,573,959
Decrease (increase) in current investments		407,694,811	(575,812,925)	124,918,957	(246,414,136)
Net effect on cash flow from acquisitions and disposal of subsidiaries		164,095,126	639,205	-	-
Increase in investments in subsidiaries		-	-	(95,878,849)	(251,917,900)
Increase in investments in associates and joint ventures		(93,629,150)	(3,049,800)	(18,130,500)	-
Increase in other long-term investments		(19,974,000)	-	(750,000)	-
Increase in short-term loans to related parties		(12,200,000)	(9,350,000)	(125,380,000)	(9,350,000)
Decrease in short-term loans to other parties		7,667,181	36,133,908	-	-

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



# STATEMENTS OF CASH FLOWS

Loxley Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2017	2016	2017	2016
(in Baht)					
Cash dividends of subsidiaries paid to non-controlling interests		(8,002,500)	(16,061,850)	-	-
Increase in investment property		-	(265,467,800)	-	-
Increase in property, plant and equipment		(126,603,793)	(236,212,960)	(33,178,251)	(31,558,200)
Increase in intangible assets		(23,238,185)	(43,978,166)	(10,661,605)	(22,185,747)
Proceed from sales of investment in subsidiary		-	2,709,257	174,742,850	2,709,257
Proceed from sales of investment in associate		-	12,000,000	-	-
Proceed from paid-up share capital of non-controlling interests		7,999,800	6,849,925	-	-
Proceed from sales of other long-term investment		10,000,000	-	10,000,000	-
Net cash paid for acquisitions of non-controlling interests		(25,000,000)	(74,418,000)	-	-
Proceed from sales of property, plant and equipment and intangible assets		15,780,676	6,751,285	4,578,459	2,090,024
<b>Net cash provided by (used in) investing activities</b>		<b>961,345,186</b>	<b>(450,170,589)</b>	<b>545,441,063</b>	<b>293,267,735</b>
<b>Cash flows from financing activities</b>					
Proceeds from exercise of share options		1,050	-	1,050	-
Finance costs paid		(171,025,743)	(189,792,300)	(75,093,171)	(85,399,403)
Dividends paid to owners of the Company		(158,546,834)	(113,247,739)	(158,546,834)	(113,247,739)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		847,891,406	(81,297,917)	389,686,084	(99,337,394)
Increase (decrease) in short-term loans from related parties		(22,000,000)	102,000,000	106,000,000	40,000,000
Decrease in short-term loans from other parties		(13,733,994)	(120,746,217)	-	-
Increase in long-term liabilities		-	145,000,000	-	-
Repayment of long-term liabilities		(120,260,626)	(128,068,446)	-	(3,176,828)
<b>Net cash provided by (used in) financing activities</b>		<b>362,325,259</b>	<b>(386,152,619)</b>	<b>262,047,129</b>	<b>(261,161,364)</b>

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



# STATEMENTS OF CASH FLOWS

Loxley Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2017	2016	2017	2016

(in Baht)

<b>Net increase (decrease) in cash and cash equivalents</b>		<b>268,799,108</b>	<b>98,700,214</b>	<b>542,055</b>	<b>(33,873,090)</b>
Cash and cash equivalents at 1 January		833,668,403	734,809,981	226,652,535	260,420,213
Effect of exchange rate changes on balances held in foreign currencies		(2,538,691)	158,208	(2,534,223)	105,412
<b>Cash and cash equivalents at 31 December</b>	<b>6</b>	<b>1,099,928,820</b>	<b>833,668,403</b>	<b>224,660,367</b>	<b>226,652,535</b>

## Non cash transaction

- During 2017, the Group acquired property, plant and equipment totaling Baht 128 million (2016: Baht 245 million) which included equipment of finance lease totaling Baht 1 million (2016: Baht 9 million) and cash payments of Baht 127 million (2016: Baht 236 million).
- During 2017, the Company disposed entire investment in L Solar 1 Co., Ltd., a subsidiary of the Company, to non-related party and received cash of Baht 175 million and Baht 218 million of newly issued ordinary share of QTC Energy Public Company Limited.

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



# NOTES TO THE FINANCIAL STATEMENTS

Loxley Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

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# NOTES TO THE FINANCIAL STATEMENTS

Loxley Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

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 22 February 2018.

## 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 2017 and 2016 were as follows:

Name of the entity	Type of Business	Ownership interest (%)	
		2017	2016
<i>Direct subsidiaries</i>			
Loxbit Public Company Limited	Trading of telecommunication equipment, computers and computer programs	99	99
Loxley Orbit Public Company Limited	Telecommunication and computerised database service	99	99
Data Mining Co., Ltd.	Service of information technology equipment and computer systems	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
Loxley Business Innovation Company Limited (Formerly “L Green Solutions Company Limited”)	Sale, service, and installation of automatic telephone switching systems	99	99
Loxley Power Systems Co., Ltd.	System integration of power system	99	99



Name of the entity	Type of Business	Ownership interest (%)		
		2017	2016	
<b>Direct subsidiaries</b>				
L-Elevator and Engineering Co., Ltd.	Trading and installation of elevator and escalator	99	99	
Loxley Engineering Co., Ltd.	Engineering services in the telecommunication network systems, and trading all kinds of related materials and tools	99	99	
Loxley System Integrator Company Limited (Formerly “Loxley Wireless System Integrator Company Limited”)	Engineering services in telecommunication network systems	99	-	
ASM Security Management Co., Ltd.	Provide security service at Suvarnabhumi Airport and others	99	69	
Loxley Automotive Co., Ltd.	Manufacture, assembly, trading, rent, lease, import, export and after sale service of all kinds of vehicles and their spare parts	99	-	
Loxley Environmental Dynamics Co., Ltd.	Provide advice and guidance on the management of garbage, waste and the establishment of a waste disposal plant for electricity generation.	94	-	
Loxley Property Development Co., Ltd.	Renting of building, advertising board and providing services	90	90	
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 3 Co., Ltd.	Manufacture and distribute electricity, plan, design, install and construct solar power plant, substation, processing power station, high voltage transmission lines, electric wire, cable and related equipment	74	74	
Loxley Global Co., Ltd.	Holding company	51	51	
LB EV Co., Ltd.	Manufacturing, assembly, trading electricity automotive including related equipment	51	51	
Lego 99 Co., Ltd. (Formerly “L Solar 2 Co., Ltd.”)	Solar power plant business	50	99	
Loxley Trading Company Limited	Sale of consumer products	50	50	
Societe Commercial Lao	Trading in Lao People’s Democratic Republic	50	50	
L Solar 1 Co., Ltd.	Manufacture and distribute electricity	-	70	
L Force 1 Co., Ltd.	Supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting	-	60	



Name of the entity	Type of Business	Ownership interest (%)		
		2017	2016	
<i>Indirect subsidiaries</i>				
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	
Professional Computer Company Limited	Supply, maintenance and set up of work system, installation of computers and management of computerised center	99	99	
L Hardware & Services Co., Ltd.	Installation and repair of IT equipment, sale of computers and peripherals	99	99	
Loxley Simulation Technology Co., Ltd.	Import, export and distribution virtual learning services and system development.	99	-	
LWSN Company Limited	Service of telecommunication, information technology systems and submarine cable network	85	85	
LWTN Company Limited	Service of telecommunication, information technology systems and fiber optics	85	85	
Phetkasem Green Holding Co., Ltd.	Manufacturing operations compressor, steam generator, pressure tank, filter, conveyor, installation of steam generator, pressure tank, filter and conveyor belt.	50	-	
K2 Venture Capital Co., Ltd.	Venture Capital	-	99	
Loxley System Integrator Company Limited (Formerly “Loxley Wireless System Integrator Company Limited”)	Engineering services in telecommunication network systems	-	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 2017. 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.

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 2018 and have not been adopted in the preparation of these financial statements.



The Group/Company has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items

<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	Revaluation to fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3 (n)

**(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) and 22	Current and deferred taxation
Note 3(p)	Revenue recognition from service contract
Note 3(g), 3(k), 12 and 13	Impairment test key assumptions underlying recoverable amounts
Note 3(h) and 16	Valuation of investment properties
Note 3(i) and 17	Valuation of land
Note 3(n) and 23	Measurement of defined benefit obligations: key actuarial assumptions; and
Note 38	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 chief financial officer.

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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the 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 observable market 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 - Lands
- Note 36 - Financial instrument

### 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, as describe in subsidiaries section, other than those with entities under common control.



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 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. Any gain on bargain purchase is recognised in profit or loss immediately.

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.

### *Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### *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 initially recognised 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 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.

Group's/Company's 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 measured 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.

Any 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 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 recognised 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 recognised 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 and the proportion of costs incurred to the reporting date compared to the estimated final costs of the contract at completion. 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**

**2017**

In January 2017, the Company entirely purchased shares of Loxley System Integrator Company Limited (formerly “Loxley Wireless System Integrator Company Limited”), an indirect subsidiary of the Company, from a subsidiary, totaling Baht 18 million. The indirect subsidiary thereby became a direct subsidiary of the Company. In July 2017, the said subsidiary increased its registered share capital from Baht 10 million to Baht 20 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 April 2017, the Company incorporated a new subsidiary, Loxley Automotive Co., Ltd., with a registered share capital of Baht 1 million and 25% paid-up share capital, amounting to Baht 0.3 million. The said company engages in manufacturing, assembling, trading, renting, leasing, importing and exporting, as well as providing after-sales service of all kinds of vehicles and their spare parts. The Company held 99% of shares and voting right in the subsidiary.

In November 2017, the Company incorporated a new subsidiary, Loxley Environmental Dynamics Co., Ltd., an authorized and fully paid up share capital amounting to Baht 8.5 million, amounting to Baht 8 million. The said company engages in providing advice and guidance on the management of garbage, waste and the establishment of a waste disposal plant for electricity generation. The Company held 94% of shares and voting right in the subsidiary.



**2016**

In April 2016, a subsidiary of the company incorporated a new subsidiary, Loxley Wireless System Integrator Company Limited, with a registered share capital of Baht 10 million. The said company engages in engineering services in the telecommunication network systems. The subsidiary held 99% of shares and voting right in the indirect subsidiary (the Group indirectly held 85%).

In July 2016, the Company incorporated a new subsidiary, Loxley Engineering Co., Ltd., with a registered share capital of Baht 10 million and 25% paid-up share capital. The said company engages in engineering services in the telecommunication network systems, and trading all kinds of related materials and tools. The Company held 99% of shares and voting right in the subsidiary.

In July 2016, the Company invested in L Solar 3 Co., Ltd., with a registered share capital of Baht 10 million and 25% paid-up share capital. The said company engages in manufacturing and distributing electricity, plan, design, install and construct solar power plant, substation, processing power station, high voltage transmission lines, electric wire, cable and related equipment. The Company held 74% of shares and voting right in the subsidiary and paid up the purchase of shares at par value in amount of Baht 1.9 million. The Group included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2016. The consolidation of such entity does not have any material impact on the consolidated financial statements. In October 2016, the said company called for additional paid-up of 75%. The Company fully paid up according to percentage of shareholding of 74%, amounting to Baht 5.5 million.

In November 2016, a subsidiary invested in K2 Venture Capital Co., Ltd., with a registered share capital of Baht 4 million and 25% paid-up share capital. The said company engages in venture capital business. A subsidiaries held 99% of shares in the indirect subsidiary (the Group indirectly held 99%) The Group included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2016. The consolidation of such entity does not have any material impact on the consolidated financial statements.

In December 2016, the Company entirely purchased shares of Loxley Orbit Public Company Limited (formerly "Loxbit PA Public Company Limited"), an indirect subsidiary of the Company, from a subsidiary, totaling Baht 110 million (net book value as at 31 December 2016). The indirect subsidiary thereby became a direct subsidiary of the Company.

***(b) Acquisition of interests in subsidiary without a change of control*****2017**

In January 2017, Loxley Engineering Co., Ltd., a subsidiary of the Company, called for an additional paid-up of 75%. The Company fully paid up according to percentage of holding of 99%, amounting to Baht 7.5 million in February 2017.

In June 2017, the Company purchased 305,000 shares of ASM Security Management Co., Ltd., a subsidiary of the Company, from the subsidiary's shareholder totaling Baht 25 million, bringing the change in percentage of holding from 69% to 99%. The Group has gain from change in percentage of holding amounting to Baht 29 million which was recorded under "change in percentage of holding in subsidiaries and associates" in other components of equity.

In July 2017, Loxley Intertrade (Guangzhou) Co., Ltd., a subsidiary of the Company, increased its registered share capital from USD 0.48 million to USD 1.05 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 19.43 million.



In October 2017, Lego 99 Co., Ltd. (formerly “L Solar 2 Co., Ltd.”), a subsidiary of the Company, increased its registered share capital from Baht 0.1 million to Baht 15 million, which were fully called up. The Company partially acquired 74,000 shares of the increased share capital, totaling Baht 7.4 million, resulting in the decrease in percentage of holding from 99% to 50%. Then the said subsidiary invested in Phetkasem Green Holding Co., Ltd., with an authorised share capital amounting to Baht 60 million and 25% paid-up. This company engages in manufacturing, assembling, and trading steam generator, pressure tank, filter and conveyor belt. The subsidiary held 99% of shares (the Group indirectly held 50%). The Group classified this investment as an indirect subsidiary.

#### **2016**

In January 2016, The Company purchased 474,000 shares of Loxley Property Development Co., Ltd., a subsidiary of the Company, from the Company’s major shareholder totaling Baht 74 million (net book value as at 31 December 2015), bringing the change in percentage of holding from 66% to 90%. The Group has gain from changes in percentage of holding amounting to Baht 0.8 million which was recorded under “change in percentage of holding in subsidiaries and associates” in other components of equity. In March 2016, the said subsidiary increased its registered share capital from Baht 200 million to Baht 250 million, which was fully paid up. The Company paid up the increase in share capital according to percentage of shareholding of 90%, amounting to Baht 45 million.

In August 2016, L Green Solutions Company Limited, a subsidiary of the Company, called for additional paid-up of 25%. The Company fully paid up according to percentage of shareholding of 99%, amounting to Baht 2.5 million.

In October 2016, L Food Solutions Company Limited, a subsidiary of the Company, increased its registered share capital from Baht 30 million to Baht 40 million, which was fully paid up. The Company paid up the increase in share capital according to percentage of shareholding of 99%, amounting to Baht 10 million.

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

#### **2017**

In September 2017, the Company disposed entire investment in L Solar 1 Co., Ltd., a subsidiary of the Company, to non-related party. The Company received Baht 9 million of cash (net of transaction cost of Baht 1.50 million), Baht 166 million of short-term promissory notes (received in full amount in December 2017) and Baht 218 million of newly issued ordinary shares of QTC Energy Public Company Limited (17 million shares of newly issued ordinary shares with Baht 12.83 per share (fair value appraised by independent appraiser)) totaling Baht 393 million, resulting in a loss of control in the said subsidiary. The Group has gain from disposal of investment in consolidated financial statements amounting to Baht 97 million and in separate financial statements amounting to Baht 200 million which was recorded in the statement of income for the year ended 31 December 2017. The deconsolidation of such entity does not have any material impact on the consolidated financial statements.

In October 2017, the Company disposed entire investment in L Force 1 Co., Ltd., a subsidiary of the Company, to non-related party amounting to Baht 0.5 million, resulting in a loss of control in the said subsidiary. The Group has loss from disposal of investment in consolidated financial statements amounting to Baht 0.5 million and gain from disposal of investment in separate financial statements amounting to Baht 0.5 million which was recorded in the consolidated and separate statements of income for the year ended 31 December 2017. The deconsolidation of such entity does not have any material impact on the consolidated financial statements.



**(d) Partial disposal of interest in subsidiary without a change of control****2016**

In July 2016, the Company disposed 12% of investment in Societe Commercial Lao, a subsidiary of the Company, to non-related party totaling Baht 3 million, resulting in decrease of the Company's shareholding percentage from 62% to 50%. The Group has gain from changes in percentage of holding in consolidated financial statements amounting to Baht 2 million which was recorded under "change in percentage of holding in subsidiaries and associates" in other components of equity and has gain from disposal of investment in separate financial statements amounting to Baht 3 million which was recorded statement of income for the year ended 31 December 2016.

**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.

Relationships with subsidiaries, associates and joint ventures are described in notes 12 and 13. Relationships with key management and other related parties were as follows:

<b>Name of entities</b>	<b>Nature of relationships</b>
<b><i>Major shareholder</i></b>	
Ekpavee Company Limited	A major shareholder, 26% shareholding of the Company, 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 and subsidiary company, common director
L-TAG Technologies Company Limited	A related party, shareholding by the major shareholder,
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
LTS Travel Service Co., Ltd.	A related party, shareholding by Company's director
Thai Herbal Products Company Limited	A related party, shareholding by Company
Eximnet Co., Ltd.	A related party, shareholding by subsidiary company, common director
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
GMP (Thailand) 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



<b>Name of entities</b>	<b>Nature of relationships</b>
Mainstay Property Solutions & Security Services Co., Ltd.	A related party, shareholding by the major shareholder, common director
Spie Oil & Gas Services (Thailand) Ltd.	A related party, common director
Phatra Leasing Public Company Limited	A related party, common director
Phuket Smart Bus Co., Ltd.	A related party, shareholding by Company, common director
L Solar 1 Co., Ltd.	A related party, common director
Lox Service Co., Ltd. (Formerly "Solana Marketing Co., Ltd.")	A related party, shareholding by the major shareholder

The above related parties were incorporated in Thailand except 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
Distribution costs	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 investment	Net book value

Significant transactions for the years ended 31 December 2017 and 2016 with related parties were as follows:

<b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<i>(in million Baht)</i>				
<b>Major shareholder</b>				
Purchase of investment	-	74	-	74
<b>Subsidiaries</b>				
Sale of goods and rendering of services	-	-	169	118
Fees and other income	-	-	60	37
Dividend income	-	-	533	532
Purchases of goods and rendering of services	-	-	174	275
Distribution costs	-	-	2	1
Administrative expenses	-	-	106	106
Finance costs	-	-	2	2
Purchase of investment	-	-	18	110



	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Associates and joint ventures</b>				
Sale of goods and rendering of services	106	180	27	63
Fees and other income	24	14	20	12
Dividend income	-	-	191	227
Purchases of goods and rendering of services	288 <sup>1</sup>	224 <sup>1</sup>	282 <sup>1</sup>	204 <sup>1</sup>
Distribution costs	3	1	2	-
Administrative expenses	2	-	1	-
<b>Other related parties</b>				
Sale of goods and rendering of services	64	62	41	38
Fees and other income	11	12	11	12
Dividend income	28	24	14	20
Purchases of goods and rendering of services	1,572 <sup>2</sup>	1,548 <sup>2</sup>	45	13
Distribution costs	9	7	7	4
Administrative expenses	55	14	43	12
Finance costs	4	3	-	-
Key management personnel compensation	175	203	81	83

<sup>1</sup> The amount mainly comprises purchase and installation of project equipment from an associate, totaling Baht 127 million and Baht 147 million, for the years then ended 31 December 2017 and 2016, 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 1,518 million and Baht 1,529 million for the years then ended 31 December 2017 and 2016 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	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Short-term management benefits	168	191	78	77
Long-term management benefits	7	12	3	6
<b>Total</b>	<b>175</b>	<b>203</b>	<b>81</b>	<b>83</b>



Balances as at 31 December 2017 and 2016 with related parties were as follows:

**Trade accounts receivable - related parties**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Year ended 31 December</b>				
	<i>(in million Baht)</i>			
Subsidiaries	-	-	156	102
Associates and joint ventures	232	194	141	161
Other related parties	22	28	13	13
<b>Total</b>	<b>254</b>	<b>222</b>	<b>310</b>	<b>276</b>
<i>Less allowance for doubtful accounts</i>	<i>(128)</i>	<i>(122)</i>	<i>(119)</i>	<i>(119)</i>
<b>Net</b>	<b>126</b>	<b>100</b>	<b>191</b>	<b>157</b>
Bad debts and doubtful debts expense for the year	11	-	-	-

**Other receivables - related parties**

**Receivables - other income**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Year ended 31 December</b>				
	<i>(in million Baht)</i>			
Subsidiaries	-	-	9	11
Associates and joint ventures	217	189	216	189
Other related parties	2	1	2	1
<b>Total</b>	<b>219</b>	<b>190</b>	<b>227</b>	<b>201</b>
<i>Less allowance for doubtful accounts</i>	<i>(214)</i>	<i>(186)</i>	<i>(216)</i>	<i>(188)</i>
<b>Net</b>	<b>5</b>	<b>4</b>	<b>11</b>	<b>13</b>
Bad debts and doubtful debts expense for the year	28	27	28	27

**Deposit**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Year ended 31 December</b>				
	<i>(in million Baht)</i>			
Subsidiary	-	-	18	18

**Accrued income**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Year ended 31 December</b>				
	<i>(in million Baht)</i>			
Subsidiary	-	-	12	-



*Dividend receivables*

	Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Subsidiary	-	-	223	-

*Loans to related parties*

	Interest rate		Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in million Baht)</i>			
<b>Short-term loans</b>						
Subsidiaries	4-5	-	-	-	135	20
Associates and joint ventures	3-7.5	6	473	461	471	461
<b>Total</b>			<b>473</b>	<b>461</b>	<b>606</b>	<b>481</b>
<i>Less allowance for doubtful accounts</i>			(471)	(461)	(491)	(481)
<b>Net</b>			<b>2</b>	<b>-</b>	<b>115</b>	<b>-</b>
Bad debts and doubtful debts expense for the year			10	9	10	9

Movements during the years ended 31 December 2017 and 2016 of loans to related parties were as follows:

*Loans to related parties*

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	-	-
Increase	-	-	220	-
Decrease	-	-	(105)	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>-</b>
<b>Associates and joint ventures</b>				
At 1 January	-	-	-	-
Increase	43	13	10	9
Decrease	(31)	(4)	-	-
Decrease from set up allowance for doubtful accounts	(10)	(9)	(10)	(9)
<b>At 31 December</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>



*Loans to related parties*

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Total loan to related parties</b>				
At 1 January	-	-	-	-
Increase	43	13	230	9
Decrease	(31)	(4)	(105)	-
Decrease from set up allowance for doubtful accounts	(10)	(9)	(10)	(9)
<b>At 31 December</b>	<b>2</b>	<b>-</b>	<b>115</b>	<b>-</b>

*Trade accounts payable - related parties*

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Year ended 31 December</b>				
Subsidiaries	-	-	30	34
Associates and joint ventures	21	37	21	33
Other related parties	189	203	2	1
<b>Total</b>	<b>210</b>	<b>240</b>	<b>53</b>	<b>68</b>

*Payables - other expenses*

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Year ended 31 December</b>				
Subsidiaries	-	-	3	4
Other related parties	5	1	5	1
<b>Total</b>	<b>5</b>	<b>1</b>	<b>8</b>	<b>5</b>

*Loans from related parties*

	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in million Baht)</i>			
<b>Year ended 31 December</b>						
<b>Short-term loans</b>						
Major shareholder	5	5	80	102	-	-
Subsidiary	1	1	-	-	206	100
<b>Total</b>			<b>80</b>	<b>102</b>	<b>206</b>	<b>100</b>



Movements during the years ended 31 December 2017 and 2016 of loans from related parties were as follows:

**Loans from related parties**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Short-term loans</b>				
<b>Major shareholder</b>				
At 1 January	102	-	-	-
Increase	-	102	-	-
Decrease	(22)	-	-	-
<b>At 31 December</b>	<b>80</b>	<b>102</b>	<b>-</b>	<b>-</b>
<b>Subsidiary</b>				
At 1 January	-	-	100	60
Increase	-	-	306	395
Decrease	-	-	(200)	(355)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>206</b>	<b>100</b>
<b>Total short-term loans from related parties</b>				
At 1 January	102	-	100	60
Increase	-	102	306	395
Decrease	(22)	-	(200)	(355)
<b>At 31 December</b>	<b>80</b>	<b>102</b>	<b>206</b>	<b>100</b>

**Future minimum lease payments under non-cancellable operating lease commitments**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Within one year	25	20	27	24
After one year but within five years	31	25	31	32
<b>Total</b>	<b>56</b>	<b>45</b>	<b>58</b>	<b>56</b>



## 6. Cash and cash equivalents

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Cash on hand and cash at banks - current accounts	274	241	8	55
Cash at banks - savings accounts	742	512	202	118
Highly liquid short - term investments	50	20	-	-
Cheque on hand	34	61	15	54
<b>Total</b>	<b>1,100</b>	<b>834</b>	<b>225</b>	<b>227</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.

## 7. Deposits pledged as collateral

As at 31 December 2017, fixed deposits and promissory notes at financial institutions which were presented in other non-current assets in consolidated financial statement amounting to Baht 26 million (2016: Baht 60 million) have been pledged as collateral for the Group's projects performance.

## 8. Trade accounts receivable

<i>Year ended 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in million Baht)</i>			
Related parties	5	254	222	310	276
Other parties		2,784	4,057	1,124	1,185
<b>Total</b>		<b>3,038</b>	<b>4,279</b>	<b>1,434</b>	<b>1,461</b>
<i>Less allowance for doubtful accounts</i>		(373)	(345)	(270)	(237)
<b>Net</b>		<b>2,665</b>	<b>3,934</b>	<b>1,164</b>	<b>1,224</b>
Current		2,665	2,548	1,164	1,224
Non-current		-	1,386	-	-
<b>Total</b>		<b>2,665</b>	<b>3,934</b>	<b>1,164</b>	<b>1,224</b>
Bad debts and doubtful debts expenses for the year		59	76	46	75



Aging analyses for trade accounts receivable were as follow:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Related parties</b>				
Within credit terms	4	47	130	105
Overdue:				
Less than 3 months	31	31	19	15
3-6 months	49	9	30	1
6-12 months	39	-	11	3
Over 12 months	131	135	120	152
	<b>254</b>	<b>222</b>	<b>310</b>	<b>276</b>
<i>Less allowance for doubtful accounts</i>	(128)	(122)	(119)	(119)
	<b>126</b>	<b>100</b>	<b>191</b>	<b>157</b>
<b>Other parties</b>				
Within credit terms	1,092	1,146	403	415
Overdue:				
Less than 3 months	1,035	782	397	216
3-6 months	198	194	60	75
6-12 months	138	707	58	335
Over 12 months	321	1,228	206	144
	<b>2,784</b>	<b>4,057</b>	<b>1,124</b>	<b>1,185</b>
<i>Less allowance for doubtful accounts</i>	(245)	(223)	(151)	(118)
	<b>2,539</b>	<b>3,834</b>	<b>973</b>	<b>1,067</b>
<b>Net</b>	<b>2,665</b>	<b>3,934</b>	<b>1,164</b>	<b>1,224</b>

Included in trade accounts receivable - other parties over the age thresholds of 6 months as at 31 December 2017 and 2016 are amounts receivable from government agencies and state enterprises as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
6-12 months	83	449	22	85
Over 12 months	25	971	9	4
<b>Total</b>	<b>108</b>	<b>1,420</b>	<b>31</b>	<b>89</b>

The amounts receivable from government agencies and state enterprises include an amount due from the Office of the Welfare of the Promotion Commission for Teachers and Education Personnel ("OTEP") which entered into trade agreements with Loxley Wireless Public Company Limited ("Loxley Wireless"). As at 31 December 2016, the amount overdue for more than 6 months was Baht 1,274.69 million from the total amount of Baht 1,465.40 million of the agreements. In December 2017, Loxley Wireless entered into a compromise agreement with the debtor which result in reclassification of the amounts receivable to receivable under debt restructuring agreement as at 31 December 2017 (note 10).



## 9. Other receivables

Year ended 31 December	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Other receivables	5	258	202	264	208
Prepaid withholding tax		183	239	54	57
Value added tax		91	22	42	-
Advance to employees		47	47	17	24
Prepaid expenses		46	46	16	19
Promotion receivables		32	25	-	-
Deposit	5	23	39	20	19
Refundable retentions		20	30	-	-
Prepaid land rental		12	13	-	-
Accrued income	5	8	14	16	8
Others		19	11	2	4
<b>Total</b>		<b>739</b>	<b>688</b>	<b>431</b>	<b>339</b>
Less allowance for doubtful accounts		(223)	(195)	(223)	(195)
<b>Net</b>		<b>516</b>	<b>493</b>	<b>208</b>	<b>144</b>
Current		291	200	133	65
Non-current		225	293	75	79
<b>Total</b>		<b>516</b>	<b>493</b>	<b>208</b>	<b>144</b>
Bad debts and doubtful debts expenses for the year	5	28	27	28	27



## 10. Receivable under debt restructuring agreement

In December 2017, Loxley Wireless and OTEP entered into a compromise agreement. The said debtor agrees to pay the amount of Baht 1,294 million as follows;

- 1) Repayment as textbooks amount of Baht 165 million, which will be delivered to Loxley Wireless within 60 days from the agreement date.
- 2) The remaining amount of Baht 1,129 million is repayable within 6 years. The first installment is due within 25 January 2018 and the last installment is due within 25 December 2023.
  - 2.1) Monthly payment of not less than Baht 5 million, the first installment within 25 January 2018 and within 25th of the following month until the end of the agreement but not later than 25 December 2023.
  - 2.2) Additional payment as follows;
    - Additional payment within May 2019 amounting to not less than Baht 120 million
    - Additional payment within May 2020 amounting to not less than Baht 120 million
    - Additional payment within May 2021 amounting to not less than Baht 120 million
    - Additional payment within May 2022 amounting to not less than Baht 200 million
    - The rest of payment will be made within May 2023

The effect of debt restructuring as mentioned above, the Group recorded a loss on debt restructuring of Baht 337 million as follows;

Year ended 31 December 2017	Consolidated financial statements (in million Baht)	
Valuation of trade account receivable (OTEP) before the debt restructuring	1,386.06	
Less expected return of restructured debt		
- Expected fair value of assets to be transferred	(91.50)	
- Present value of expected future cash flow are discounted using 4.775% p.a. (a financial cost rate that Loxley Wireless has to pay to restructure the receivable throughout the life of the agreement)	(957.30)	
	<b>(1,048.80)</b>	
<b>Loss from debt restructuring</b>	<b>337.26</b>	

Receivable under restructuring agreement as at 31 December are as follows;

	Within one year		After one year but within five years		After five years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
(in million Baht)								
Receivable under debt restructuring agreement	151	-	800	-	269	-	1,220	-
Less unearned interest income	(45)	-	(121)	-	(5)	-	(171)	-
<b>Total receivable under debt restructuring agreement</b>	<b>106</b>	<b>-</b>	<b>679</b>	<b>-</b>	<b>264</b>	<b>-</b>	<b>1,049</b>	<b>-</b>



## 11. Inventories

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Raw materials	14	14	-	-
Merchandise inventories	354	403	236	213
Project equipment and project in progress	1,360	963	168	143
Goods in transit	62	32	25	32
<b>Total</b>	<b>1,790</b>	<b>1,412</b>	<b>429</b>	<b>388</b>
Less allowance for decline in value	(82)	(78)	(31)	(36)
<b>Net</b>	<b>1,708</b>	<b>1,334</b>	<b>398</b>	<b>352</b>
Inventories recognised as cost of sale of goods and rendering of services				
- Cost of sale of goods and rendering of services	11,743	10,226	6,147	5,036
Inventories recognised as administrative expenses				
- Provisions for declining in value	24	31	8	6
- Reversal of provision for declining in value	(20)	(11)	(13)	(6)
	<b>4</b>	<b>20</b>	<b>(5)</b>	<b>-</b>

## 12. Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Associates</b>				
At 1 January	2,874	2,879	928	928
Increase	67	-	19	-
Transfer from investments in subsidiaries to associates	1	-	-	-
Share of profit of investments, net	520	677	-	-
Dividend income	(615)	(674)	-	-
Disposal	-	(8)	-	-
Return on investment	(2)	-	(2)	-
Reverse allowance of impairment	2	-	2	-
<b>At 31 December</b>	<b>2,847</b>	<b>2,874</b>	<b>947</b>	<b>928</b>
<b>Joint ventures</b>				
At 1 January	59	79	25	25
Increase	25	3	-	-
Share of loss of investments, net	(37)	(23)	-	-
<b>At 31 December</b>	<b>47</b>	<b>59</b>	<b>25</b>	<b>25</b>



	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Total</b>				
At 1 January	2,933	2,958	953	953
Increase	92	3	19	-
Transfer from investments in subsidiaries to associates	1	-	-	-
Share of profit of investments, net	483	654	-	-
Dividend income	(615)	(674)	-	-
Disposal	-	(8)	-	-
Return on investment	(2)	-	(2)	-
Reverse allowance of impairment	2	-	2	-
<b>At 31 December</b>	<b>2,894</b>	<b>2,933</b>	<b>972</b>	<b>953</b>

**2017**

In January 2017, K2 Venture Capital Company Limited, an indirect subsidiary of the Company, called for an additional 75% paid-up share capital. The subsidiary fully paid up its holding portion according to the percentage of shareholding of 99% amounting to Baht 3 million. In addition, the said indirect subsidiary increased its registered share capital, with fully called up, from Baht 4 million to Baht 70 million. The subsidiary partially acquired 310,020 shares of the increased share capital, totaling Baht 31 million. Therefore, the percentage of shareholding in this indirect subsidiary has been reduced from 99% to 50% resulting in a losing of control and the reclassification of this indirect subsidiary to associate. In September 2017, the said indirect associate increased its registered share capital, with fully called up, from Baht 70 million to Baht 100 million. The subsidiary paid up the increase in share capital according to percentage of shareholding of 50%, amounting to Baht 15 million.

In January 2017, Loxley & AIT Holding Co., Ltd., an indirect joint venture, called for an additional paid-up of 25%. A subsidiary fully paid up according to percentage of holding of 50% (the Group indirectly held 43%) in the said company amounting to Baht 25 million.

In March and June 2017, the Company invested in DM-Loxley Co., Ltd. amounting to Baht 16.2 million. The company has an authorised share capital amounting to Baht 45 million and 80% paid-up and engages in the business of providing water supply services. The Company held 45% of shares and voting right in the associate.

In September 2017, a subsidiary invested in TLK2 Management Co., Ltd., with an authorized and fully paid up share capital amounting to Baht 1 million. This company engages in venture capital business. The subsidiary held 50% of shares (the Group indirectly held 50%). The Group classified this investment as an indirect associate.

In October 2017, a subsidiary disposed entire investment in Cloud Serve Asia Co., Ltd., an indirect joint venture of the Company, to non-related party. The subsidiary received Baht 0.3 million of Cash, resulting in a loss of control in the said joint venture. The Group has gain from disposal of investment in consolidated financial statements amounting to Baht 0.3 million which was recorded in the consolidated statement of income for the year ended 31 December 2017.



In November 2017, Thanthiya Technology Co., Ltd. an associate reduced its share capital from Baht 100 per share to Baht 10 per share, resulting in change in number of shares from 42,900 shares to 429,000 shares. In addition, the said direct associate increased its registered share capital, with fully called up, from Baht 4.29 million to Baht 10.73 million. The Company paid up the increase in share capital according to percentage of shareholding of 30%, amounting to Baht 1.93 million.

## **2016**

In April 2016, a subsidiary incorporated a new company, Loxtrade Specialty Innovation Co., Ltd., with an authorized and fully paid-up share capital amounting to Baht 5 million. The company engages in manufacturing and distributing supplementary food for health and beauty including related products. The subsidiary held 51% of shares (the Group indirectly held 25%) and shared equal voting right in the said company. The group classified this investment as an indirect joint venture.

In July 2016, the Company invested in Cloud Serve Asia Co., Ltd., with an authorized share capital amounting to Baht 1 million and 25% paid-up. This company engages in providing electronic data transfer and data storage via internet. The subsidiary held 50% of shares (the Group indirectly held 50%) and shared equal voting right in the said company. The group classified this investment as an indirect joint venture. In November 2016, the said company called for additional paid-up of 75%. The Company fully paid up according to percentage of shareholding of 50%, amounting to Baht 0.4 million.

In August 2016, a subsidiary disposed its investment in Ecartstudio Company Limited, which is an indirect associate of the Group, to a non-related party totaling Baht 12 million and recognised gain on sale of investments amounting to Baht 17 million in consolidated financial statements.

Investments in associates and joint ventures are based on the audited financial statements as at 31 December 2017 and 2016 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 2017 and 2016, 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 2017 and 2016, which had been reviewed, but not audited by auditors. The carrying value of the investments in the consolidated financial statements as at 31 December 2017 and 2016 were Baht 1,669 million and Baht 1,721 million, respectively, the share of their net profit for the years ended 31 December 2017 and 2016 were Baht 114 million and Baht 225 million, respectively, and the dividend income received from them for the years ended 31 December 2017 and 2016 were Baht 166 million and Baht 211 million, respectively. However, during 2017, the Company's management received the audited financial statements of the said three associates for the year ended 30 June 2017. 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 2017.



Investments in associates and joint ventures as at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(in million Baht)													
	Associates													
	Oriental Post Co., Ltd.													
	50	50	150 million Baht	150 million Baht	82	84	14	16	(14)	(16)	-	-	-	-
	K2 Venture Capital Co., Ltd.													
	50	-	100 million Baht	-	50	-	42	-	-	-	42	-	-	-
	TLK2 Management Co., Ltd.													
	50	-	1 million Baht	-	1	-	1	-	-	-	1	-	-	-
	Parts Zone (Thailand) Co., Ltd.													
	46	46	56 million Baht	56 million Baht	48	48	17	37	-	-	17	37	-	-
	DM-Loxley Co., Ltd.													
	45	-	36 million Baht	-	16	-	16	-	-	-	16	-	-	-
	Thai Fiber Optics Company Limited													
	40	40	100 million Baht	100 million Baht	40	40	160	172	-	-	160	172	9	1
	BP - Castrol (Thailand) Limited													
	40	40	49 million Baht	49 million Baht	20	20	882	881	-	-	882	881	424	447
	Loxley GTECH Technology Co., Ltd.													
	35	35	300 million Baht	300 million Baht	105	105	-	-	-	-	-	-	-	-
	Thanthiya Technology Co., Ltd.													
	30	30	11 million Baht	4 million Baht	15	12	12	14	-	-	12	14	2	-
	Wisdom Vast Company Limited													
	30	30	10 million Baht	10 million Baht	5	5	4	5	-	-	4	5	-	-
	Mobile Innovation Co., Ltd.													
	27	27	184 million Baht	184 million Baht	50	50	21	20	-	-	21	20	-	-
	Foseco (Thailand) Limited													
	26	26	10 million Baht	10 million Baht	3	3	14	16	-	-	14	16	14	15
	MOCAP Limited													
	25	25	61 million Baht	61 million Baht	15	15	9	8	-	-	9	8	-	-
	NS BlueScope Lysaght (Thailand) Limited													
	20	20	600 million Baht	600 million Baht	120	120	228	225	-	-	228	225	8	13
	NS BlueScope (Thailand) Limited													
	20	20	5,000 million Baht	5,000 million Baht	640	640	1,379	1,411	-	-	1,379	1,411	158	193
	BlueScope Buildings (Thailand) Limited													
	20	20	360 million Baht	360 million Baht	72	72	62	85	-	-	62	85	-	5
					<b>1,282</b>	<b>1,214</b>	<b>2,861</b>	<b>2,890</b>	<b>(14)</b>	<b>(16)</b>	<b>2,847</b>	<b>2,874</b>	<b>615</b>	<b>674</b>



## Consolidated financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(in million Baht)													
	Joint ventures													
Car Convini Co., Ltd.	51	51	50 million Baht	50 million Baht	25	25	8	15	-	-	8	15	-	-
L S Technology Solutions Co., Ltd.	50	50	10 million Baht	10 million Baht	5	5	-	-	-	-	-	-	-	-
Loxley Numap Infra Plus Joint Venture	-	-	-	-	-	-	-	1	-	-	-	1	-	-
Loxley & AIT Holding Co., Ltd.	43	43	200 million Baht	150 million Baht	100	75	37	38	-	-	37	38	-	-
Loxtrade Specialty Innovation Co., Ltd.	25	25	5 million Baht	5 million Baht	3	3	2	3	-	-	2	3	-	-
LPDPS Joint Venture	-	-	-	-	-	-	-	1	-	-	-	1	-	-
Cloud Serve Asia Co., Ltd.	-	50	-	1 million Baht	-	-	-	1	-	-	-	1	-	-
					133	108	47	59	-	-	47	59	-	-
<b>Total</b>					1,415	1,322	2,908	2,949	(14)	(16)	2,894	2,933	615	674



Ownership interest		Separate financial statements									
		Paid-up capital		Cost method		Impairment		At cost-net		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(in million Baht)									
Associates											
	(%)										
Oriental Post Co., Ltd.	50	150 million Baht	150 million Baht	82	84	(82)	(84)	-	-	-	-
Parts Zone (Thailand) Co., Ltd.	46	56 million Baht	56 million Baht	26	26	-	-	26	26	-	-
DM-Loxley Co., Ltd.	45	36 million Baht	-	16	-	-	-	16	-	-	-
Thai Fiber Optics Company Limited	40	100 million Baht	100 million Baht	40	40	-	-	40	40	9	1
Thanthiya Technology Co., Ltd.	30	11 million Baht	4 million Baht	15	12	-	-	15	12	2	-
Mobile Innovation Co., Ltd.	27	184 million Baht	184 million Baht	50	50	(35)	(35)	15	15	-	-
Foseco (Thailand) Limited	26	10 million Baht	10 million Baht	3	3	-	-	3	3	14	15
NS BlueScope Lysaght (Thailand) Limited	20	600 million Baht	600 million Baht	120	120	-	-	120	120	8	13
NS BlueScope (Thailand) Limited	20	5,000 million Baht	5,000 million Baht	640	640	-	-	640	640	158	193
BlueScope Buildings (Thailand) Limited	20	360 million Baht	360 million Baht	72	72	-	-	72	72	-	5
Loxley GTECH Technology Co., Ltd.	18	300 million Baht	300 million Baht	55	55	(55)	(55)	-	-	-	-
		<b>1,119</b>	<b>1,102</b>	<b>(172)</b>	<b>(174)</b>	<b>947</b>	<b>928</b>	<b>191</b>	<b>227</b>		
Joint ventures											
Car Convinie Co., Ltd.	51	50 million Baht	50 million Baht	25	25	-	-	25	25	-	-
L S Technology Solutions Co., Ltd.	50	10 million Baht	10 million Baht	5	5	(5)	(5)	-	-	-	-
		<b>30</b>	<b>30</b>	<b>(5)</b>	<b>(5)</b>	<b>25</b>	<b>25</b>	<b>-</b>	<b>-</b>		
<b>Total</b>		<b>1,149</b>	<b>1,132</b>	<b>(177)</b>	<b>(179)</b>	<b>972</b>	<b>953</b>	<b>191</b>	<b>227</b>		

The above associates and joint ventures were incorporated in Thailand except DM-Loxley Co., Ltd. which was incorporated in Lao People's Democratic Republic.



### 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	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Revenue	5,963	5,228	11,944	11,304
Total comprehensive income (100%)	1,062	1,105	632	989
Group's share of total comprehensive income	425	441	126	198
Current assets	2,303	2,161	4,965	4,598
Non-current assets	769	969	6,601	5,042
Current liabilities	(766)	(838)	(4,630)	(2,489)
Non-current liabilities	(101)	(88)	(104)	(86)
<b>Net assets (100%)</b>	<b>2,205</b>	<b>2,204</b>	<b>6,832</b>	<b>7,065</b>
Group's share of net assets	882	881	1,379	1,411
Group's interest in net assets of associates at 1 January	881	887	1,411	1,406
Total comprehensive income attributable to the Group	425	441	126	198
Dividends received during the year	(424)	(447)	(158)	(193)
<b>Group's interest in net assets of associates at 31 December</b>	<b>882</b>	<b>881</b>	<b>1,379</b>	<b>1,411</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	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	586	582	47	59
Group's share of total comprehensive income	(31)	38	(37)	(23)



**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 2017 and 2016, 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 2017 and 2016 as required by TAS 36 (revised 2016) "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 and other receivables (note 5)	Short-term loans (note 5)	Total
	(in million Baht)			
<b>Balance</b>				
At 1 January 2016	105	273	452	830
Addition	-	27	9	36
<b>At 31 December 2016</b>	<b>105</b>	<b>300</b>	<b>461</b>	<b>866</b>
Addition	-	28	10	38
<b>At 31 December 2017</b>	<b>105</b>	<b>328</b>	<b>471</b>	<b>904</b>
<b>Allowance for doubtful accounts</b>				
At 1 January 2016	105	273	452	830
Addition	-	27	9	36
<b>At 31 December 2016</b>	<b>105</b>	<b>300</b>	<b>461</b>	<b>866</b>
Addition	-	28	10	38
<b>At 31 December 2017</b>	<b>105</b>	<b>328</b>	<b>471</b>	<b>904</b>
<b>Net book value</b>				
<b>At 31 December 2016</b>	-	-	-	-
<b>At 31 December 2017</b>	-	-	-	-



In the consolidated financial statements, the Group complies with TAS 28 (revised 2016) "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 2017 and 2016, the Group recorded additional share of loss over its interest in the associate on the consolidated financial statements, representing 35% interest in the associate. Such share of loss over its interest in the associate is presented as deductions to the trade receivable and short-term loans to the associate. In addition, the Group recorded additional allowance for short-term loans to the associate in the consolidated financial statements. The details are as follows:

Consolidated financial statements	Investment	Trade and other receivables (note 5)	Short-term loans (note 5)	Total
		(in million Baht)		
<b>Balance</b>				
At 1 January 2016	105	273	452	830
Addition	-	27	9	36
<b>At 31 December 2016</b>	<b>105</b>	<b>300</b>	<b>461</b>	<b>866</b>
Addition	-	28	10	38
<b>At 31 December 2017</b>	<b>105</b>	<b>328</b>	<b>471</b>	<b>904</b>
<b>Equity loss</b>				
At 1 January 2016	105	143	57	305
Addition	-	-	-	-
<b>At 31 December 2016</b>	<b>105</b>	<b>143</b>	<b>57</b>	<b>305</b>
Addition	-	-	-	-
<b>At 31 December 2017</b>	<b>105</b>	<b>143</b>	<b>57</b>	<b>305</b>
<b>Allowance for doubtful accounts</b>				
At 1 January 2016	-	130	395	525
Addition	-	27	9	36
<b>At 31 December 2016</b>	<b>-</b>	<b>157</b>	<b>404</b>	<b>561</b>
Addition	-	28	10	38
<b>At 31 December 2017</b>	<b>-</b>	<b>185</b>	<b>414</b>	<b>599</b>
<b>Net book value</b>				
<b>At 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



### 13. Investments in subsidiaries

	Separate financial statements	
	2017	2016
	<i>(in million Baht)</i>	
At 1 January	2,487	2,265
Acquisition	95	252
Disposals		
Disposal	(205)	(4)
Reversal of loss from impairment	12	4
Allowance for impairment	(255)	(30)
<b>At 31 December</b>	<b>2,134</b>	<b>2,487</b>



Investments in subsidiaries as at 31 December 2017 and 2016 and dividend income for years ended were as follows:

Separate financial statements												
Ownership interest	Paid-up capital				Cost method		Impairment		At cost - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(in million Baht)											
Subsidiaries												
	99	99	450 million Baht	450 million Baht	476	476	-	-	476	476	-	140
Loxbit Public Company Limited	99	99	45 million Baht	45 million Baht	110	110	-	-	110	110	-	-
Loxley Orbit Public Company Limited	99	99	20 million Baht	20 million Baht	20	20	-	-	20	20	-	-
Data Mining Co., Ltd.	99	99	1,000 million Baht	1,000 million Baht	1,000	1,000	-	-	1,000	1,000	483	351
Loxley Joint and Hold Co., Ltd.	99	99	20 million Baht	20 million Baht	20	20	(20)	(20)	-	-	-	-
Loxley Mobile Company Limited	99	99	40 million Baht	40 million Baht	40	40	(30)	(30)	10	10	-	-
L Food Solutions Company Limited	99	99	1.05 million USD	0.48 million USD	35	16	-	-	35	16	-	-
Loxley Intertrade (Guangzhou) Co., Ltd.												
Loxley Business Innovation Company Limited												
(Formerly "L Green Solutions Company Limited")	99	99	5 million Baht	5 million Baht	5	5	-	-	5	5	-	-
Loxley Power Systems Co., Ltd.	99	99	20 million Baht	20 million Baht	20	20	-	-	20	20	-	-
L-Elevator and Engineering Co., Ltd.	99	99	3 million Baht	3 million Baht	3	3	-	-	3	3	-	-
Loxley Engineering Co., Ltd.	99	99	10 million Baht	3 million Baht	10	3	-	-	10	3	-	-
Loxley System Integrator Co., Ltd. (Formerly "Loxley Wireless System Integrator Co., Ltd.)	99	-	20 million Baht	-	28	-	-	-	28	-	-	-
ASM Security Management Co., Ltd.	99	69	100 million Baht	100 million Baht	95	70	-	-	95	70	31	-
Loxley Automotive Co., Ltd.	99	-	1 million Baht	-	1	-	-	-	1	-	-	-
Loxley Environmental Dynamics Co., Ltd.	94	-	9 million Baht	-	8	-	-	-	8	-	-	-
Loxley Property Development Co., Ltd.	90	90	250 million Baht	250 million Baht	255	255	-	-	255	255	-	-
Loxley Wireless Public Company Limited	85	85	275 million Baht	275 million Baht	255	255	(255)	(255)	-	-	255	5
Green Natural Products Co., Ltd.	75	75	4 million Baht	4 million Baht	14	14	-	-	14	14	2	1
Solar 3 Co., Ltd.	74	74	10 million Baht	10 million Baht	7	7	-	-	7	7	-	-



Separate financial statements													
Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income			
				2017	2016	2017	2016	2017	2016				
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016		
(in million Baht)													
Subsidiaries													
Subsidiaries	51	51	99 million Baht	99 million Baht	50	50	(50)	(50)	-	-	-		
	51	51	10 million Baht	10 million Baht	5	5	-	-	5	5	-		
	50	99	15 million Baht	0.1 million Baht	7	-	-	-	7	-	-		
	50	50	50 million Baht	50 million Baht	25	25	-	-	25	25	-		
	50	50	4,135 million Kip	4,135 million Kip	15	15	(15)	(15)	-	-	-		
	-	70	-	220 million Baht	-	193	-	-	-	193	17		
	35	-	60	-	20 million Baht	-	12	-	(12)	-	-		
				2,504	2,614	(370)	(127)	2,134	2,487	533	532		



## 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 2017				
	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	9.87	14.67	50.00		
Current assets	377	186	458		
Non-current assets	739	993	68		
Current liabilities	(369)	(224)	(443)		
Non-current liabilities	(211)	(1,025)	(28)		
<b>Net assets</b>	<b>536</b>	<b>(70)</b>	<b>55</b>		
Carrying amount of non-controlling interest	53	(10)	27	26	96
Revenue	417	135	2,264		
Profit (loss)	22	(451)	(27)		
<b>Total comprehensive income</b>	<b>22</b>	<b>(451)</b>	<b>(27)</b>		
Profit allocated to non-controlling interest	2	(66)	(13)	25	(52)
Other comprehensive income allocated to non-controlling interest	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	13	(111)	(25)		



	31 December 2016					
	Loxley Property Development Co., Ltd.	L Solar 1 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	9.87	30.01	14.67	50.00		
Current assets	260	38	1,903	615		
Non-current assets	791	580	100	59		
Current liabilities	(276)	(71)	(1,600)	(563)		
Non-current liabilities	(261)	(156)	(33)	(30)		
<b>Net assets</b>	<b>514</b>	<b>391</b>	<b>370</b>	<b>81</b>		
Carrying amount of non-controlling interest	51	117	54	41	66	329
Revenue	329	154	647	2,524		
Profit (loss)	(7)	78	(167)	(13)		
Other comprehensive income	34	-	-	-		
<b>Total comprehensive income</b>	<b>27</b>	<b>78</b>	<b>(167)</b>	<b>(13)</b>		
Profit allocated to non-controlling interest	(1)	23	(25)	(7)	15	5
Other comprehensive income allocated to non-controlling interest	(25)	-	-	-	-	(25)
Net increase (decrease) in cash and cash equivalents	9	4	(3)	(1)		



## 15. Other long-term investments

Movements during the years ended 31 December 2017 and 2016 of other long-term investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Available-for-sale securities</b>				
At 1 January	438	476	438	476
Acquisition	218	-	218	-
Valuation adjustment	(17)	(38)	(17)	(38)
<b>At 31 December</b>	<b>639</b>	<b>438</b>	<b>639</b>	<b>438</b>
<b>General investments</b>				
At 1 January	62	62	25	25
Acquisition	20	-	1	-
Disposal	(10)	-	(10)	-
<b>At 31 December</b>	<b>72</b>	<b>62</b>	<b>16</b>	<b>25</b>
<b>Total</b>	<b>711</b>	<b>500</b>	<b>655</b>	<b>463</b>



Other long-term investments as at 31 December 2017 and 2016, and dividend income for the years then ended were as follows:

Consolidated financial statements															
		Ownership interest		Paid-up capital		Cost method		Impairment		Unrealised gain (loss) from fair value changes		Fair value (Market price of listed securities)/ At cost - net			
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(in million Baht)															
Available-for-sale securities - at fair value															
Other related party															
Muang Thai Insurance Public Company Limited															
	5	5	590	590		36	36	-	-	402	402	438	438	14	20
QTC Energy Public Company Limited															
	6	-	291	-		218	-	-	-	(17)	-	201	-	-	-
						254	36	-	-	385	402	639	438	14	20
General investments - at cost															
Other related parties															
Thanakorn Vegetable Oil Products Co., Ltd.															
	7	7	300	300		39	35	-	-	-	-	39	35	14	4
Others															
						17	17	(10)	(11)	-	-	7	6	-	-
Other parties															
						36	31	(10)	(10)	-	-	26	21	1	3
						92	83	(20)	(21)	-	-	72	62	15	7
Total															
						346	119	(20)	(21)	385	402	711	500	29	27



Separate financial statements													
Ownership interest		Paid-up capital		Cost method		Impairment		Unrealised gain (loss) from fair value changes		Fair value		Dividend income	
										(Market price of listed securities)/ At cost - net			
2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(in million Baht)													
Available-for-sale securities - at fair value													
Other related party													
Muang Thai Insurance Public Company Limited													
5	5	590	590	36	36	-	-	402	402	438	438	14	20
6	-	291	-	218	-	-	-	(17)	-	201	-	-	-
		254		36		-	-	385	402	639	438	14	20
General investments - at cost													
Other related parties													
		7		6		-	-	-	-	7	6	-	-
Other parties		19		29		(10)	(10)	-	-	9	19	1	3
		26		35		(10)	(10)	-	-	16	25	1	3
Total		280		71		(10)	(10)	385	402	655	463	15	23



## 16. Investment properties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	477	206	128	118
Additions	-	265	-	-
Fair value adjustments	-	6	-	10
<b>At 31 December</b>	<b>477</b>	<b>477</b>	<b>128</b>	<b>128</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.

### 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 2016.

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
<i>Discounted cash flows</i> ; 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 5% - 10% for 3-year period</li> <li>• Occupancy rate 70% - 100%</li> <li>• Discount rates 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 2016	482	1,278	449	967	242	83	9	3,510
Additions	-	9	27	38	20	5	146	245
Fair value adjustments	115	-	-	-	-	-	-	115
Disposals/written-off	-	(71)	(75)	(7)	(95)	(5)	(1)	(254)
Transfers in (out)	-	11	11	(8)	-	1	(17)	(2)
<b>At 31 December 2016 and 1 January 2017</b>	<b>597</b>	<b>1,227</b>	<b>412</b>	<b>990</b>	<b>167</b>	<b>84</b>	<b>137</b>	<b>3,614</b>
Additions	-	32	42	8	1	9	36	128
Effect from losses on interest in subsidiaries	(18)	(45)	(6)	(672)	-	-	-	(741)
Disposals/written-off	-	(2)	(17)	(8)	(88)	(14)	(30)	(159)
Transfers in (out)	-	44	(2)	12	1	1	(60)	(4)
<b>At 31 December 2017</b>	<b>579</b>	<b>1,256</b>	<b>429</b>	<b>330</b>	<b>81</b>	<b>80</b>	<b>83</b>	<b>2,838</b>
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2016	-	892	371	312	203	44	-	1,822
Depreciation charge for the year	-	62	29	72	23	10	-	196
Impairment losses	-	5	1	-	-	-	-	6
Disposals/written-off	-	(61)	(70)	(3)	(95)	(4)	-	(233)
Transfers in (out)	-	-	9	(9)	-	-	-	-
<b>At 31 December 2016 and 1 January 2017</b>	<b>-</b>	<b>898</b>	<b>340</b>	<b>372</b>	<b>131</b>	<b>50</b>	<b>-</b>	<b>1,791</b>
Depreciation charge for the year	-	60	29	63	25	10	-	187
Effect from losses on interest in subsidiaries	-	(13)	(4)	(197)	-	-	-	(214)
Disposals/written-off	-	(2)	(15)	(8)	(91)	(11)	-	(127)
Transfers in (out)	-	-	(2)	-	(1)	-	-	(3)
<b>At 31 December 2017</b>	<b>-</b>	<b>943</b>	<b>348</b>	<b>230</b>	<b>64</b>	<b>49</b>	<b>-</b>	<b>1,634</b>



## Consolidated financial statements

Net book value	Furniture, fixtures and office equipment						(in million Baht)		
	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total	
<b>At 1 January 2016</b>									
Owned assets	482	386	62	655	2	39	9	1,635	
Assets under finance leases	-	-	16	-	37	-	-	53	
	<b>482</b>	<b>386</b>	<b>78</b>	<b>655</b>	<b>39</b>	<b>39</b>	<b>9</b>	<b>1,688</b>	
<b>At 31 December 2016 and 1 January 2017</b>									
Owned assets	597	329	53	618	-	29	137	1,763	
Assets under finance leases	-	-	19	-	36	5	-	60	
	<b>597</b>	<b>329</b>	<b>72</b>	<b>618</b>	<b>36</b>	<b>34</b>	<b>137</b>	<b>1,823</b>	
<b>At 31 December 2017</b>									
Owned assets	579	313	64	100	6	26	83	1,171	
Assets under finance leases	-	-	17	-	11	5	-	33	
	<b>579</b>	<b>313</b>	<b>81</b>	<b>100</b>	<b>17</b>	<b>31</b>	<b>83</b>	<b>1,204</b>	

\* Appraised land as at 31 December 2016 for the Group amounted to Baht 597 million.

The cost of fully depreciated property, plant and equipment that was still in use as at 31 December 2017 for the Group amounted to Baht 740 million (2016 : Baht 649 million).



## Separate financial statements

	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total
						<i>(in million Baht)</i>		
<b>Cost / revaluation *</b>								
At 1 January 2016	326	442	255	89	-	37	6	1,155
Additions	-	3	11	4	-	3	10	31
Fair value adjustments	72	-	-	-	-	-	-	72
Disposals/written-off	-	(12)	(59)	(1)	-	(3)	-	(75)
Transfers in (out)	-	7	4	-	-	1	(14)	(2)
<b>At 31 December 2016 and 1 January 2017</b>	<b>398</b>	<b>440</b>	<b>211</b>	<b>92</b>	<b>-</b>	<b>38</b>	<b>2</b>	<b>1,181</b>
Additions	-	12	10	5	-	2	4	33
Disposals/written-off	-	(1)	(5)	(2)	-	(5)	-	(13)
Transfers in (out)	-	2	(2)	1	-	1	(4)	(2)
<b>At 31 December 2017</b>	<b>398</b>	<b>453</b>	<b>214</b>	<b>96</b>	<b>-</b>	<b>36</b>	<b>2</b>	<b>1,199</b>
<b>Accumulated depreciation and impairment loss</b>								
At 1 January 2016	-	376	223	72	-	12	-	683
Depreciation charge for the year	-	16	12	8	-	6	-	42
Impairment losses	-	-	1	-	-	-	-	1
Disposals/written-off	-	(12)	(56)	(2)	-	(3)	-	(73)
<b>At 31 December 2016 and 1 January 2017</b>	<b>-</b>	<b>380</b>	<b>180</b>	<b>78</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>653</b>
Depreciation charge for the year	-	16	9	9	-	5	-	39
Disposals/written-off	-	(1)	(4)	(3)	-	(2)	-	(10)
Transfers in (out)	-	-	(2)	-	-	-	-	(2)
<b>At 31 December 2017</b>	<b>-</b>	<b>395</b>	<b>183</b>	<b>84</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>680</b>
<b>Net book value</b>								
At 1 January 2016	326	66	32	17	-	25	6	472
At 31 December 2016 and 1 January 2017	398	60	31	14	-	23	2	528
At 31 December 2017	398	58	31	12	-	18	2	519

\* Appraised land as at 31 December 2016 for the Company amounted to Baht 398 million.

The cost of fully depreciated property, plant and equipment that was still in use as at 31 December 2017 for the Company amounted to Baht 545 million (2016: Baht 414 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 2016.

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
<p><i>Current replacement cost;</i></p> <p>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.</p>	<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)			
<b>Cost</b>				
At 1 January 2016	153	58	211	81
Additions	44	-	44	22
Disposals/written-off	(6)	-	(6)	(3)
Transfers in (out)	2	-	2	2
<b>At 31 December 2016 and 1 January 2017</b>	<b>193</b>	<b>58</b>	<b>251</b>	<b>102</b>
Additions	23	-	23	11
Disposals/written-off	(3)	-	(3)	(3)
Transfers in (out)	4	-	4	2
Effect from losses on interest in subsidiaries	(20)	-	(20)	-
<b>At 31 December 2017</b>	<b>197</b>	<b>58</b>	<b>255</b>	<b>112</b>
<b>Accumulated amortization and impairment loss</b>				
At 1 January 2016	102	58	160	51
Amortisation charge for the year	9	-	9	5
Disposals/written-off	(5)	-	(5)	(1)
<b>At 31 December 2016 and 1 January 2017</b>	<b>106</b>	<b>58</b>	<b>164</b>	<b>55</b>
Amortisation charge for the year	14	-	14	7
Disposals/written-off	(1)	-	(1)	-
Transfers in (out)	3	-	3	(1)
Effect from losses on interest in subsidiaries	(15)	-	(15)	2
<b>At 31 December 2017</b>	<b>107</b>	<b>58</b>	<b>165</b>	<b>63</b>
<b>Net book value</b>				
At 1 January 2016	51	-	51	30
At 31 December 2016 and 1 January 2017	87	-	87	47
At 31 December 2017	90	-	90	49



## 19. Interest-bearing liabilities

Year ended 31 December	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
<b>Current</b>					
Bank overdrafts					
unsecured		19	15	-	-
Short-term loans from financial institutions					
secured		227	165	-	-
unsecured		1,141	1,403	489	151
Liabilities under trust receipts					
secured		428	408	282	231
<b>Bank overdrafts and short-term loans from financial institutions</b>		<b>1,815</b>	<b>1,991</b>	<b>771</b>	<b>382</b>
Current portion of long-term loans from financial institutions					
secured		50	115	-	-
unsecured		3	-	-	-
Current portion of finance lease					
liabilities					
secured		15	26	-	-
<b>Current portion of long-term liabilities</b>		<b>68</b>	<b>141</b>	<b>-</b>	<b>-</b>
Short-term loans from related parties					
unsecured	5	80	102	206	100
Short-term loans from other party					
unsecured		2	-	-	-
		<b>1,965</b>	<b>2,234</b>	<b>977</b>	<b>482</b>
<b>Non-current</b>					
Long-term loans from financial institutions					
secured		113	320	-	-
unsecured		1,025	-	-	-
Long-term debenture		1,000	1,000	1,000	1,000
Finance lease liabilities					
secured		23	37	-	-
		<b>2,161</b>	<b>1,357</b>	<b>1,000</b>	<b>1,000</b>
<b>Non interest-bearing liabilities</b>					
<b>Current</b>					
Short-term loans from other party					
unsecured		7	23	-	-
<b>Total</b>		<b>4,133</b>	<b>3,614</b>	<b>1,977</b>	<b>1,482</b>



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

As at 31 December 2017, the above outstanding bank overdraft bear interest at the floating rates ranging from 7.20% to 7.42% p.a. (2016: 7.38% to 7.68% p.a.).

As at 31 December 2017, the above loans, except the bank overdraft, bear interest at the floating rates ranging from 2.40% to 5.75% p.a. (2016: 2.60% - 6.25% 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 2017 bear interest at the rates 4.75% per annum and MLR-0.5% to MLR-1.5% per annum (2016: bear interest at the rates 4.76% per annum and MLR-1.5% per annum); and are repayable in installments up to February 2021.
- (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.

In April 2017, a subsidiary of the Company was granted the approval from a financial institution to extend the repayment period of short-term loan amounting to Baht 1,023 million from April 2017 to April 2020, with the conditions that the Company is required to maintain its direct and indirect shareholding in such subsidiary of not less than 85% of the subsidiary's registered and paid up share capital. In addition, the subsidiary is obliged to maintain its registered share capital of not less than Baht 368 million until the loan is fully paid off. Consequently, the short-term loan from financial institution has been reclassified to long-term loan as at 31 December 2017.

***Long-term debenture***

In December 2015, the Company 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 was divided into two tranches as follows;

- (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 certain financial ratios.

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Within one year	1,950	2,208	977	482
After one year but within five years	2,138	1,320	1,000	1,000
<b>Total</b>	<b>4,088</b>	<b>3,528</b>	<b>1,977</b>	<b>1,482</b>

Secured interest-bearing liabilities as at 31 December 2017 and 2016 were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Investment property*	265	265	-	-
Property, plant and equipment*	-	552	-	-
Trade accounts receivable**	174	63	-	-
<b>Total</b>	<b>439</b>	<b>880</b>	<b>-</b>	<b>-</b>

\* The Group has pledged on investment property and property, plant and equipment as a collateral for borrowing long-term loans from financial institutions.

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

A subsidiary has 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					
	2017			2016		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in million Baht)</i>					
Within one year	15	2	17	26	3	29
After one year but within five years	16	3	19	28	4	32
After five years	7	-	7	9	1	10
<b>Total</b>	<b>38</b>	<b>5</b>	<b>43</b>	<b>63</b>	<b>8</b>	<b>71</b>



## 20. Trade accounts payable

		Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	Note	2017	2016	2017	2016
		<i>(in million Baht)</i>			
Related parties	5	210	240	53	68
Other parties		2,713	2,030	1,226	620
<b>Total</b>		<b>2,923</b>	<b>2,270</b>	<b>1,279</b>	<b>688</b>

## 21. Other payables

		Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	Note	2017	2016	2017	2016
		<i>(in million Baht)</i>			
Accrued cost and warranty cost		785	743	282	263
Accrued expenses		239	220	53	49
Other payables	5	66	51	43	36
Revenue Department payable		38	67	16	36
Deposits		21	24	-	-
Promotion expense received in advance		18	25	-	-
Others		57	62	13	10
<b>Total</b>		<b>1,224</b>	<b>1,192</b>	<b>407</b>	<b>394</b>
Current		1,211	1,181	407	394
Non-current		13	11	-	-
<b>Total</b>		<b>1,224</b>	<b>1,192</b>	<b>407</b>	<b>394</b>

## 22. Deferred tax

Details of deferred tax liabilities presented in the statements of financial position as at the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in million Baht)</i>				
<b>Deferred tax liabilities</b>				
(Credit) charge to other comprehensive income				
At 1 January	209	192	171	162
Available-for-sale investments				
Change in fair value	(4)	(8)	(4)	(8)
Investment properties				
Change in fair value	-	1	-	2
Land				
Change in fair value	-	24	-	15
<b>At 31 December</b>	<b>205</b>	<b>209</b>	<b>167</b>	<b>171</b>



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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Temporary differences				
- Provisions	634	299	418	257
- Others	2	219	-	98
Loss carrying forward	200	293	110	236
<b>Total</b>	<b>836</b>	<b>811</b>	<b>528</b>	<b>591</b>

The tax losses expire in 2018 - 2022. The deductible temporary differences do not expire under current tax legislation. The Group/Company did not recognise deferred tax assets because a part of the Group's/Company's income is dividend income which is exempted from tax, so it is not probable that future taxable profit will be available against which the Group/Company can utilise the benefits therefrom.

## 23. Provisions for employee benefits

The Group and the Company operate a defined benefit 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.

Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	555	535	328	311
<b>Include in profit or loss:</b>				
Current service cost	61	56	29	30
Interest on obligation	15	13	9	8
	<b>76</b>	<b>69</b>	<b>38</b>	<b>38</b>
<b>Other</b>				
Benefit paid	(53)	(49)	(52)	(21)
<b>At 31 December</b>	<b>578</b>	<b>555</b>	<b>314</b>	<b>328</b>



**Actuarial assumptions**

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate (%)	2.5-3.8	2.5-3.8	2.7	2.7
Future salary growth (%)	1-5	1-5	3-5	3-5
Retirement age (Year)	60	60	60	60

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

At 31 December 2017, the weighted-average duration of the defined benefit obligation for Group was 7-17 years (2016: 7-17 years) and for Company was 9 years (2016: 9 years).

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 shown below.

	Consolidated financial statements		Separate financial statements	
	(in million Baht)			
At 31 December 2017	Increased	Decreased	Increased	Decreased
Discount rate (1% movement)	(58)	52	(26)	29
Future salary growth (1% movement)	51	(45)	28	(25)
Life expectancy (1 year movement)	5	(5)	3	(2)

	Consolidated financial statements		Separate financial statements	
	(in million Baht)			
At 31 December 2016	Increased	Decreased	Increased	Decreased
Discount rate (1% movement)	(44)	50	(25)	28
Future salary growth (1% movement)	48	(44)	27	(24)
Life expectancy (1 year movement)	4	(4)	2	(2)

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.



## 24. Share capital

	Par value per share  (in Baht)	2017		2016	
		Number	Amount	Number	Amount
(million shares / million Baht)					
<b>Authorised</b>					
At 1 January					
- ordinary shares	1	2,331.25	2,331.25	2,331.25	2,331.25
<b>At 31 December</b>					
- ordinary shares	1	2,331.25	2,331.25	2,331.25	2,331.25
<b>Issued and paid up</b>					
At 1 January					
- ordinary shares	1	2,264.95	2,264.95	2,264.95	2,264.95
<b>At 31 December</b>					
- ordinary shares	1	2,264.95	2,264.95	2,264.95	2,264.95

### 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.

## 25. Warrants

At the annual general meeting of shareholders of the Company held on 29 April 2013, the shareholders approved the issuance of warrants in the amount not exceeding 66.25 million units as follows;

- 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.
- 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.

In 2017, warrants were exercised 150 shares at a price of Baht 7 per share which were fully paid up. The Company registered the aforesaid increase of new paid-up shares with the Ministry of Commerce on 10 October 2017.



## 26. Reserves

Reserves comprise:

### *Appropriations of profit and/or retained earnings*

#### **Legal reserve**

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

### *Other components of equity*

#### **Currency translation differences**

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

#### **Fair value changes 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.



## 27. Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Technology
- Segment 2 Trading
- Segment 3 Service

None of other segments meets the quantitative thresholds for determining reportable segments in 2017 or 2016.

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	
<i>Year ended 31 December</i>	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in million Baht)</i>							
External revenue	10,393	8,583	3,611	3,847	1,710	1,359	15,714	13,789
Inter-segment revenue	357	430	187	137	35	15	579	582
<b>Total segment revenue</b>	<b>10,750</b>	<b>9,013</b>	<b>3,798</b>	<b>3,984</b>	<b>1,745</b>	<b>1,374</b>	<b>16,293</b>	<b>14,371</b>

### Segment profit (loss) before finance

costs and income tax expense	91	134	(35)	(33)	59	60	115	161
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Segment assets	9,504	9,036	1,395	1,395	581	556	11,480	10,987
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### Material items of income and expense

Cost of sales and services	9,131	7,548	3,334	3,511	1,513	1,159	13,978	12,218
Distribution costs and administration expenses	1,528	1,331	499	506	173	155	2,200	1,992
Depreciation expenses (included in cost of sales of goods and rendering of services, distribution costs, and administrative expenses)	147	158	13	12	12	10	172	180



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

	2017	2016
	<i>(in million Baht)</i>	
<b>Revenues</b>		
Total revenue from reportable segments	16,293	14,371
Unallocated revenue	215	66
	<b>16,508</b>	<b>14,437</b>
Elimination of inter-segment revenue	(579)	(582)
<b>Consolidated revenue</b>	<b>15,929</b>	<b>13,855</b>
<b>Profit or loss</b>		
Total profit for reportable segments before finance costs and income tax expense	115	161
Eliminate of inter-segment profits	(40)	(46)
Unallocated amounts:		
- Revenue	215	66
- Other operating expenses	(530)	(425)
Share of profit of investments, net	483	654
<b>Consolidated profit before finance costs and income tax expense</b>	<b>243</b>	<b>410</b>
<b>Assets</b>		
Total assets for reportable segments	11,480	10,987
Other unallocated amounts	4,730	4,723
<b>Consolidated total assets</b>	<b>16,210</b>	<b>15,710</b>
<b>Unallocated total liabilities</b>	<b>9,916</b>	<b>9,085</b>

***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 7,185 million (2016: Baht 5,784 million) of the Group's total revenues.



## 28. Fees and other income

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Dividend income	29	27	739	782
Management fee income	34	6	57	10
Rebate income	24	19	7	-
Gain on exchange rate	17	-	13	-
Interest income	7	8	9	2
Rental income	5	4	16	16
Reversal of provision for doubtful accounts	12	17	12	-
Unrealised gain on revaluation of investment property - net	-	6	-	9
Others	65	41	55	47
<b>Total</b>	<b>193</b>	<b>128</b>	<b>908</b>	<b>866</b>

## 29. Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Employee expenditure	465	473	332	354
Promotion expenses	155	166	42	45
Transportation	57	62	27	28
Travelling expenses	31	30	8	8
Others	91	62	28	13
<b>Total</b>	<b>799</b>	<b>793</b>	<b>437</b>	<b>448</b>



### 30. Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Employee expenditure	856	880	380	374
Loss from debt restructuring	337	-	-	-
Provisions for doubtful accounts, declining value in inventories and investments; and written off withholding tax deducted at source	93	127	318	124
Depreciation and amortisation expenses	120	120	40	41
Professional and consultant fees	75	31	72	36
Office, equipment and vehicle rental	59	57	85	77
Entertainment	59	82	54	75
Utilities	36	38	23	25
Travelling expense	27	29	20	23
Penalties	8	25	7	8
Impairment losses on property, plant and equipment and intangible assets	-	6	-	1
Others	149	141	68	65
<b>Total</b>	<b>1,819</b>	<b>1,536</b>	<b>1,067</b>	<b>849</b>

### 31. Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Salaries, wages, overtimes and bonus	2,359	2,155	537	579
Welfare	116	102	22	21
Pension and other benefits	80	59	66	43
Employees' long-term benefits	76	69	38	38
Contribution to defined benefit plans	44	45	20	20
Social security	52	45	7	8
Others	67	65	8	7
<b>Total</b>	<b>2,794</b>	<b>2,540</b>	<b>698</b>	<b>716</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.



### 32. Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Changes in inventory	(378)	(332)	(40)	144
Purchase goods, project work, services	12,121	10,558	6,187	4,892
Employee benefits expense	2,794	2,540	698	716
Provisions for doubtful accounts, declining value in inventories and investments, and written off withholding tax deducted at source	93	127	318	124
Loss from debt restructuring	337	-	-	-
Depreciation and amortisation expenses	201	206	45	46
Finances cost	188	190	75	85
Promotion expenses	156	166	42	45
Office, equipment and vehicle rental	89	83	85	77
Entertainment	89	106	58	78
Travelling expense	85	74	28	31
Professional and consultant fee	79	31	72	36
Utilities	69	81	23	25
Transportation expense	57	62	27	28
Penalty	17	29	7	8
Impairment losses on property, plant and equipment and intangible assets	-	6	-	1
Others	359	362	120	98
<b>Total expenses</b>	<b>16,356</b>	<b>14,289</b>	<b>7,745</b>	<b>6,434</b>

### 33. Income tax expense

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Current tax expense	57	42	-	-
Deferred tax expense	-	1	-	2
<b>Total</b>	<b>57</b>	<b>43</b>	<b>-</b>	<b>2</b>

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Tax (expense) benefit</b>				
Available-for-sale investments	4	8	4	8
Land	-	(24)	-	(15)
<b>Total</b>	<b>4</b>	<b>(16)</b>	<b>4</b>	<b>(7)</b>



*Reconciliation of effective tax rate*

	Consolidated financial statements			
	2017		2016	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		55		220
Income tax using the Thai corporation tax rate	20	11	20	44
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net and others		46		(1)
<b>Total</b>	<b>102</b>	<b>57</b>	<b>19</b>	<b>43</b>

	Separate financial statements			
	2017		2016	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		323		305
Income tax using the Thai corporation tax rate	20	65	20	61
Tax effect of partial income and expenses that are not taxable income or not deductible in determining taxable profit, net		(65)		(59)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>

*Income tax reduction*

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

## 34. Earnings per share

*Basic earnings per share*

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 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	
	2017	2016	2017	2016
<i>(in million Baht / million shares)</i>				
Profit for the year attributable to ordinary shareholders of the Company (basic)	50.49	172.42	323.41	303.45
Number of ordinary shares outstanding	2,264.95	2,264.95	2,264.95	2,264.95
Earnings per share (basic) <i>(in Baht)</i>	0.02	0.08	0.14	0.13



### ***Diluted earnings per share***

The calculations of diluted earnings per share for the years ended 31 December 2017 and 2016 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. Due to the maturity of the warrants on 30 September 2017, the Company excluded the warrants for the calculation of potential diluted ordinary shares for diluted earnings per share, the calculations are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<i>(in million Baht / million shares)</i>			
<b>Profit for the year attributable to ordinary shareholders of the Company (diluted)</b>	<b>50.49</b>	<b>172.42</b>	<b>323.41</b>	<b>303.45</b>
<b>Number of ordinary shares outstanding (basic)</b>	<b>2,264.95</b>	<b>2,264.95</b>	<b>2,264.95</b>	<b>2,264.95</b>
Effect of issue of warrants	-	-	-	-
<b>Number of ordinary shares outstanding (diluted)</b>	<b>2,264.95</b>	<b>2,264.95</b>	<b>2,264.95</b>	<b>2,264.95</b>
<b>Earnings per share (diluted) (in Baht)</b>	<b>0.02</b>	<b>0.08</b>	<b>0.14</b>	<b>0.13</b>

## **35. Dividends**

At the annual general meeting of shareholders of the Company held on 27 April 2017, the shareholders approved the appropriation of dividends of Baht 0.07 per share, amounting to Baht 158.5 million, from the profit.

At the annual general meeting of shareholders of the Company held on 28 April 2016, the shareholders approved the appropriation of dividends of Baht 0.05 per share, amounting to Baht 113.2 million, from the profit.

## **36. Financial instruments**

### ***Financial risk management policies***

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

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

### ***Capital management***

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



**Interest rate risk**

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

**Foreign currency risk**

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

At 31 December 2017 and 2016, the Group/Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
<b>United States Dollars (USD)</b>				
Cash and cash equivalents	37	8	36	5
Trade and other accounts receivable	45	43	45	72
Trade and other accounts payable	(169)	(163)	(129)	(119)
<b>Gross statements of financial position exposure</b>	<b>(87)</b>	<b>(112)</b>	<b>(48)</b>	<b>(42)</b>
Currency forwards, net	88	55	88	55
<b>Net assets (liabilities) exposure</b>	<b>1</b>	<b>(57)</b>	<b>40</b>	<b>13</b>
<b>Euros (EUR)</b>				
Trade and other accounts payable	(22)	(2)	(22)	(2)
<b>Gross statements of financial position exposure</b>	<b>(22)</b>	<b>(2)</b>	<b>(22)</b>	<b>(2)</b>
Currency forwards, net	2	48	2	48
<b>Net assets (liabilities) exposure</b>	<b>(20)</b>	<b>46</b>	<b>(20)</b>	<b>46</b>
<b>Australian Dollars (AUD)</b>				
Trade and other accounts payable	-	(4)	-	(4)
<b>Gross statements of financial position exposure</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(4)</b>
Currency forwards, net	-	11	-	11
<b>Net assets (liabilities) exposure</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>Chinese Yuan (RMB)</b>				
Cash and cash equivalent	21	18	-	-
Trade and other accounts receivable	259	59	151	68
<b>Great Britain Pounds (GBP)</b>				
Trade and other accounts payable	-	(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.

**Carrying amount and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
(in million Baht)					
31 December 2017					
Current					
Short-term investment in trading securities	803	-	803	-	803
Non-current					
Long-term investment in available-for-sale securities	639	639	-	-	639
31 December 2016					
Current					
Short-term investment in trading securities	1,207	-	1,207	-	1,207
Non-current					
Long-term investment in available-for-sale securities	438	438	-	-	438



		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
(in million Baht)					
31 December 2017					
Current					
Short-term investment in trading securities	223	-	223	-	223
Non-current					
Long-term investment in available-for-sale securities	639	639	-	-	639
31 December 2016					
Current					
Short-term investment in trading securities	348	-	348	-	348
Non-current					
Long-term investment in available-for-sale securities	438	438	-	-	438

**Financial instruments not measured at fair value**

- 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 and other long-term receivables

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.

### 37. Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b><i>Future minimum lease payments under non-cancellable operating leases</i></b>				
Within one year	52	78	8	27
After one year but within five years	75	94	8	37
After five years	227	207	-	-
<b>Total</b>	<b>354</b>	<b>379</b>	<b>16</b>	<b>64</b>
<b><i>Other commitments</i></b>				
Unnegotiated letters of credits for goods and supplies	7	39	7	17
Purchase orders for goods and services accepted by suppliers	1,720	2,960	1,023	2,011
Purchase forward contracts	108	128	108	128
Selling forward contracts	18	14	18	14
<i>Bank guarantees (for projects performance, customers tender guarantees and debentures)</i>	5,085	4,722	3,160	2,948
<b>Total</b>	<b>6,938</b>	<b>7,863</b>	<b>4,316</b>	<b>5,118</b>

The purchase and sale forward contracts of 2017 will come to maturity within September 2018 (2016: December 2017).

As at 31 December 2017, the Company has commitments from securing the credit facilities of an associate amounting to Baht 375 million (2016: 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.



## 38. Contingent liabilities

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.

On 27 April 2017, the Supreme Court issued judgments reaffirmed the judgments of the Court of Appeals. The case was then completely terminated. Thus, the subsidiary is not liable to pay compensation according to the litigation claim.

## 39. Events after reporting period

In January 2018, the Company incorporated a new subsidiary, The Foodsource Co., Ltd., with a registered and paid-up share capital of Baht 3 million. This subsidiary engages in import, wholesale, distribution of food ingredients and food products. The Company's percentage of holding in the subsidiary remains at 90%.



## 40. Reclassification of accounts

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements as follows:

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in million Baht)</i>					
<b><i>Statement of financial position</i></b>						
Trade and other accounts receivable	3,939	(3,939)	-	1,238	(1,238)	-
Unbilled trade accounts receivable	1,471	(10)	1,461	880	(10)	870
Other current assets	209	(195)	14	52	(51)	1
Other non-current assets	353	(293)	60	79	(79)	-
Trade accounts receivable	-	2,548	2,548	-	1,224	1,224
Other accounts receivable	-	200	200	-	65	65
Non-current trade accounts receivable	-	1,386	1,386	-	-	-
Non-current other accounts payable	-	293	293	-	79	79
Non-current unbilled trade accounts receivable	-	10	10	-	10	10
Trade and other accounts payable	2,312	(2,312)	-	724	(724)	-
Other current liabilities	1,139	(1,139)	-	358	(358)	-
Other non-current liabilities	11	(11)	-	-	-	-
Trade accounts payable	-	2,270	2,270	-	688	688
Other accounts payable	-	1,181	1,181	-	394	394
Non-current other accounts payable	-	11	11	-	-	-
		<u>-</u>			<u>-</u>	
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's/Company's business and to comply with the classification in accordance with the format set of DBD Pronouncement dated 11 October 2016 effective for annual accounting periods beginning on or after 1 January 2017.



## 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 9,845,000.00.

### Other Non-audit Fee

- Observation fee in merchandize annihilation: Baht 54,000.00 (Loxley Trading Company Limited)

## OTHER PARTIES

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Mr. Charoen Poosamritlert Certified auditor No. 4068 or

Ms. Marisa Tharathornbunpakul Certified auditor No. 5752

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**Financial Advisor** -None-

**Legal Advisor** -None-



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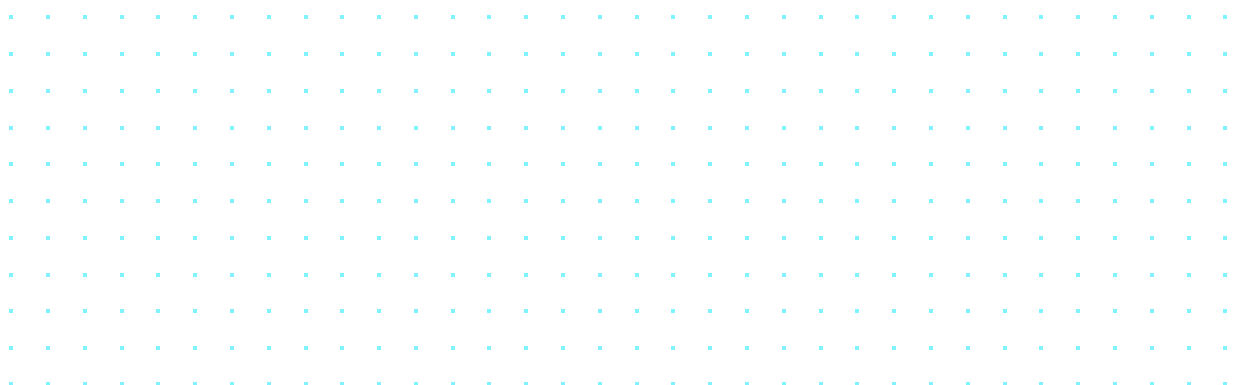
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