

TICON Industrial Connection Public Company Limited
and its subsidiaries

Review report and interim financial statements

For the three-month periods ended 31 March 2011 and 2010

Review report of independent auditor

To the Shareholders of TICON Industrial Connection Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TICON Industrial Connection Public Company Limited and its subsidiaries as at 31 March 2011, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2011 and 2010, and the separate financial statements of TICON Industrial Connection Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of TICON Industrial Connection Public Company Limited and its subsidiaries and the separate financial statements of TICON Industrial Connection Public Company Limited for the year ended 31 December 2010 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 23 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report. In addition, as described in Note 1.4 to the financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements.

Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 18 May 2011

TICON Industrial Connection Public Company Limited and its subsidiaries
Statements of financial position

(Unit: Thousand Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | Note | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 4 | 608,480 | 183,234 | 581,691 | 153,375 |
| Current investments | 5 | 818,605 | 847,370 | 818,605 | 847,370 |
| Trade accounts receivable | | | | | |
| Unrelated parties | | 21,493 | 18,856 | 18,135 | 15,816 |
| Less: Allowance for doubtful accounts | | (5,852) | (5,161) | (5,852) | (5,161) |
| Trade accounts receivable, net | 6 | 15,641 | 13,695 | 12,283 | 10,655 |
| Current portion of operating leases receivables | | 17,487 | 12,787 | 9,201 | 8,315 |
| Unbilled of work in progress under construction contracts | | 1,064 | 191 | 1,064 | 189 |
| Other receivables - related parties | 4 | 11,404 | 14,396 | 15,002 | 109,791 |
| Short-term loans to and accrued interest from subsidiary | 4 | - | - | 1,663,383 | 1,398,766 |
| Other current assets | | 43,338 | 51,575 | 22,840 | 27,973 |
| Total current assets | | 1,516,019 | 1,123,248 | 3,124,069 | 2,556,434 |
| Non-current assets | | | | | |
| Pledged deposits at financial institutions | 4, 7 | 46,178 | 10,859 | 128 | 128 |
| Operating leases receivables - net of current portion | | 18,002 | 16,679 | 8,863 | 9,353 |
| Investments in subsidiaries | 8 | - | - | 2,577,776 | 2,577,776 |
| Investment in associates, net | 9 | 1,822,553 | 1,820,710 | 2,982,003 | 2,972,099 |
| Investment in related company, net | | 256 | 256 | 256 | 256 |
| Investment properties under development and available for rent/sale, net | 10 | 4,256,694 | 4,742,156 | 1,973,067 | 1,979,741 |
| Investment properties for rent, net | 11 | 4,780,203 | 3,921,054 | 2,872,012 | 2,757,811 |
| Property, plant and equipment, net | 12 | 557,770 | 564,851 | 11,068 | 11,931 |
| Computer software, net | | 11,985 | 12,915 | 10,204 | 10,942 |
| Deferred tax assets | 18 | 264,563 | 258,458 | 8,967 | 3,593 |
| Other non-current assets | 4 | 13,823 | 13,444 | 13,354 | 12,980 |
| Total non-current assets | | 11,772,027 | 11,361,382 | 10,457,698 | 10,336,610 |
| Total assets | | 13,288,046 | 12,484,630 | 13,581,767 | 12,893,044 |

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

TICON Industrial Connection Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|------------------|-------------------------------|------------------|
| | Note | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Liabilities under trust receipts | 13 | - | 1,716 | - | 1,716 |
| Trade accounts payable | | 204,218 | 112,925 | 55,942 | 43,672 |
| Other payable - related party | 4 | - | 315 | 1,398 | 8,556 |
| Current portion of long-term loans | | | | | |
| from related party | 4 | 157,144 | 157,144 | 157,144 | 157,144 |
| Current portion of debentures | 15 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Current portion of liability under financial | | | | | |
| lease agreement | | 2,854 | 3,154 | 2,854 | 3,154 |
| Corporate income tax payable | | 244,081 | 229,063 | 239,846 | 227,376 |
| Other current liabilities | 4 | 82,910 | 97,201 | 76,606 | 89,699 |
| Total current liabilities | | 1,691,207 | 1,601,518 | 1,533,790 | 1,531,317 |
| Non-current liabilities | | | | | |
| Long-term loans from related party, net | 4 | 864,334 | 864,334 | 864,334 | 864,334 |
| Debentures, net | 15 | 4,150,000 | 4,150,000 | 4,150,000 | 4,150,000 |
| Provision for long-term employee benefits | | 17,033 | - | 14,603 | - |
| Deferred tax liabilities | 18 | 7,095 | 7,130 | 5,419 | 5,284 |
| Customer deposits | | 339,644 | 264,657 | 230,253 | 206,875 |
| Total non-current liabilities | | 5,378,106 | 5,286,121 | 5,264,609 | 5,226,493 |
| Total liabilities | | 7,069,313 | 6,887,639 | 6,798,399 | 6,757,810 |

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

TICON Industrial Connection Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

| | <u>Note</u> | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|-------------|--|-------------------------|--------------------------------------|-------------------------|
| | | <u>31 March 2011</u> | <u>31 December 2010</u> | <u>31 March 2011</u> | <u>31 December 2010</u> |
| | | (Unaudited but reviewed) | (Audited) | (Unaudited but reviewed) | (Audited) |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 1,037,252,920 ordinary shares of Baht 1 each | | <u>1,037,253</u> | <u>1,037,253</u> | <u>1,037,253</u> | <u>1,037,253</u> |
| Issued and paid up | | | | | |
| 699,697,720 ordinary shares of Baht 1 each | | | | | |
| (31 December 2010: 686,345,728 | | | | | |
| ordinary shares of Baht 1 each) | 16 | 699,698 | 686,346 | 699,698 | 686,346 |
| Cash receipts from share subscription | 17 | 541,247 | 105,588 | 541,247 | 105,588 |
| Premium on ordinary shares | 16 | 2,950,141 | 2,857,905 | 2,950,141 | 2,857,905 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | | 103,725 | 103,725 | 103,725 | 103,725 |
| Unappropriated | | 1,944,209 | 1,863,884 | 2,488,557 | 2,381,670 |
| Other components of shareholders' equity | | (20,287) | (20,457) | - | - |
| Total shareholders' equity | | <u>6,218,733</u> | <u>5,596,991</u> | <u>6,783,368</u> | <u>6,135,234</u> |
| Total liabilities and shareholders' equity | | <u>13,288,046</u> | <u>12,484,630</u> | <u>13,581,767</u> | <u>12,893,044</u> |
| | | - | - | - | - |

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

Directors

(Unaudited but reviewed)

TICON Industrial Connection Public Company Limited and its subsidiaries**Income statements****For the three-month periods ended 31 March 2011 and 2010**

(Unit: Thousand Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------|-------------------------------|----------------|
| | Note | 2011 | 2010 | 2011 | 2010 |
| Revenues | | | | | |
| Rental and related service income | 4 | 213,974 | 204,640 | 147,555 | 160,228 |
| Revenues from construction services | 4 | 4,439 | 3,247 | 4,378 | 4,463 |
| Sales of properties to unrelated party | | - | 52,115 | - | 52,115 |
| Sales of properties to associated company | 4 | - | 30,500 | - | 30,500 |
| Utility income | | 4,607 | 3,523 | 2,560 | 1,905 |
| Dividend income from subsidiary company | 4, 8 | - | - | 15,000 | - |
| Dividend income from associated companies | 4, 9 | - | - | 58,180 | 50,240 |
| Management fee income from associated companies | 4 | 35,458 | 24,395 | 34,014 | 24,303 |
| Other income | 4 | 4,456 | 7,180 | 21,508 | 12,815 |
| Total revenues | | 262,934 | 325,600 | 283,195 | 336,569 |
| Expenses | | | | | |
| Cost of rental and related services | | 53,795 | 44,750 | 31,572 | 31,151 |
| Cost of construction services | | 3,362 | 2,739 | 3,336 | 2,632 |
| Cost of sales of properties to unrelated party | | - | 26,885 | - | 26,885 |
| Cost of sales of properties to associated company | | - | 12,664 | - | 12,664 |
| Cost of utilities | | 4,607 | 3,523 | 2,560 | 1,905 |
| Selling expenses | 4 | 3,185 | 4,479 | 1,874 | 1,650 |
| Administrative expenses | 4 | 45,588 | 40,087 | 34,734 | 35,612 |
| Depreciation and amortisation expenses | | 23,198 | 23,398 | 8,894 | 12,265 |
| Other expenses | | 692 | 4,042 | 692 | 4,019 |
| Total expenses | | 134,427 | 162,567 | 83,662 | 128,783 |
| Profit before share of income from investments | | | | | |
| in associates, finance cost and corporate income tax | | 128,507 | 163,033 | 199,533 | 207,786 |
| Share of income from investments in associated companies | 9 | 48,864 | 43,365 | - | - |
| Realised additional gain on sales of properties to associated company | | - | 3,033 | - | - |
| Deferred gain (loss) on sales of properties to associated company | 9 | 1,254 | (5,893) | - | - |
| Profit before finance cost and corporate income tax | | 178,625 | 203,538 | 199,533 | 207,786 |
| Finance cost | 4 | (63,746) | (65,760) | (63,486) | (65,750) |
| Profit before corporate income tax | | 114,879 | 137,778 | 136,047 | 142,036 |
| Corporate income tax | 18 | (23,074) | (22,238) | (19,304) | (23,248) |
| Profit for the period | | 91,805 | 115,540 | 116,743 | 118,788 |
| Earnings per share | | | | | |
| | 19 | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company (Baht) | | 0.13 | 0.17 | 0.17 | 0.18 |
| Diluted earnings per share | | | | | |
| Profit attributable to equity holders of the Company (Baht) | | 0.12 | 0.17 | 0.16 | 0.17 |

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

(Unaudited but reviewed)

TICON Industrial Connection Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--------------------------------------|----------------|
| <u>Note</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Profit for the period | <u>91,805</u> | <u>115,540</u> | <u>116,743</u> | <u>118,788</u> |
| Other comprehensive income: | | | | |
| Exchange differences on translation of financial statements in foreign currency | <u>170</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other comprehensive income for the period | <u>170</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | <u>91,975</u> | <u>115,540</u> | <u>116,743</u> | <u>118,788</u> |

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

(Unaudited but reviewed)

TICON Industrial Connection Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | | | |
|---|---------------------------------------|----------------------------|-------------------|----------------|-----------|--|---|----------|--|----------------------------|
| Equity attributable to the parent's shareholders | | | | | | | | | | |
| | | | | | | Other components of equity | | | | |
| | | | | | | Other comprehensive income | | | Total other components of shareholders' equity | Total shareholders' equity |
| | | | | | | Excess of investment over book value of a subsidiary | Exchange differences on translation of financial statements in foreign currency | | | |
| | | | | | | | | | | |
| Issued and fully paid-up share capital | Cash receipts from share subscription | Premium on ordinary shares | Retained earnings | | | | | | | |
| | | | Appropriated | Unappropriated | | | | | | |
| Balance as at 31 December 2009 | 659,854 | 2,936 | 2,666,601 | 103,725 | 1,580,509 | (20,050) | - | (20,050) | 4,993,575 | |
| Increase share capital | 11,934 | - | 90,664 | - | - | - | - | - | 102,598 | |
| Cash receipts from share subscription | - | 44 | - | - | - | - | - | - | 44 | |
| Total comprehensive income for the period | - | - | - | - | 115,540 | - | - | - | 115,540 | |
| Balance as at 31 March 2010 | 671,788 | 2,980 | 2,757,265 | 103,725 | 1,696,049 | (20,050) | - | (20,050) | 5,211,757 | |
| Balance as at 31 December 2010 | 686,346 | 105,588 | 2,857,905 | 103,725 | 1,863,884 | (20,050) | (407) | (20,457) | 5,596,991 | |
| Cumulative effect of changes in accounting policies due to the adoption of new accounting standards | | | | | | | | | | |
| - net deferred tax assets (Note 1.4 and 2) | - | - | - | - | (11,480) | - | - | - | (11,480) | |
| Increase share capital (Note 16) | 13,352 | - | 92,236 | - | - | - | - | - | 105,588 | |
| Cash receipts from share subscription (Note 17) | - | 435,659 | - | - | - | - | - | - | 435,659 | |
| Total comprehensive income for the period | - | - | - | - | 91,805 | - | 170 | 170 | 91,975 | |
| Balance as at 31 March 2011 | 699,698 | 541,247 | 2,950,141 | 103,725 | 1,944,209 | (20,050) | (237) | (20,287) | 6,218,733 | |
| | - | - | - | - | - | - | - | - | - | |

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

(Unaudited but reviewed)

TICON Industrial Connection Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|--|--|---|-------------------------------|-------------------|----------------|----------------------------------|
| | Issued and fully paid-up share capital | Cash receipts from share subscription | Premium on ordinary shares | Retained earnings | | Total shareholders' equity |
| | | | | Appropriated | Unappropriated | |
| Balance as at 31 December 2009 | 659,854 | 2,936 | 2,666,601 | 103,725 | 1,931,471 | 5,364,587 |
| Increase share capital | 11,934 | - | 90,664 | - | - | 102,598 |
| Cash receipts from share subscription | - | 44 | - | - | - | 44 |
| Total comprehensive income for the period | - | - | - | - | 118,788 | 118,788 |
| Balance as at 31 March 2010 | 671,788 | 2,980 | 2,757,265 | 103,725 | 2,050,259 | 5,586,017 |
| Balance as at 31 December 2010 | 686,346 | 105,588 | 2,857,905 | 103,725 | 2,381,670 | 6,135,234 |
| Cumulative effect of changes in accounting policies due to the adoption of new accounting standards | | | | | | |
| - net deferred tax assets (Note 1.4 and 2) | - | - | - | - | (9,856) | (9,856) |
| Increase share capital (Note 16) | 13,352 | - | 92,236 | - | - | 105,588 |
| Cash receipts from share subscription (Note 17) | - | 435,659 | - | - | - | 435,659 |
| Total comprehensive income for the period | - | - | - | - | 116,743 | 116,743 |
| Balance as at 31 March 2011 | 699,698 | 541,247 | 2,950,141 | 103,725 | 2,488,557 | 6,783,368 |

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

(Unaudited but reviewed)

TICON Industrial Connection Public Company Limited and its subsidiaries**Cash flow statements****For the three-month periods ended 31 March 2011 and 2010**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------|--------------------------------------|----------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Cash flows from operating activities | | | | |
| Profit before tax | 114,879 | 137,778 | 136,047 | 142,036 |
| Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 69,238 | 62,449 | 35,308 | 40,150 |
| Allowance for doubtful accounts | 691 | 4,019 | 691 | 4,019 |
| Share of income from investments in associated companies | (48,864) | (43,365) | - | - |
| Dividend income from subsidiary company | - | - | (15,000) | - |
| Dividend income from associated companies | - | - | (58,180) | (50,240) |
| Cost of properties sold | - | 39,348 | - | 39,348 |
| Gain on sale/write-off of equipment | - | (10) | (300) | (10) |
| Provision for long-term employee benefits | 633 | - | 522 | - |
| Realised additional gain on sales of properties to associated company | - | (3,033) | - | - |
| Deferred (gain) loss on sales of properties to associated company | (1,254) | 5,893 | - | - |
| Interest income | (3,784) | (103) | (20,424) | (3,779) |
| Interest expense | 63,746 | 60,627 | 63,485 | 60,627 |
| Income from operating activities before changes in operating assets and liabilities | 195,285 | 263,603 | 142,149 | 232,151 |
| Operating assets (increase) decrease | | | | |
| Trade accounts receivable and unbilled of work in progress under construction contracts | (3,510) | 1,199 | (3,194) | 2,144 |
| Other receivables - related parties | 2,992 | (453) | 94,789 | (45) |
| Other current assets | 8,237 | (20,132) | 5,133 | (1,698) |
| Accounts receivable for operating leases | (6,023) | (10,112) | (396) | (2,480) |
| Other non-current assets | (379) | 4,963 | (374) | 230 |
| Operating liabilities increase (decrease) | | | | |
| Other payables - related parties | (315) | - | (7,158) | - |
| Other current liabilities | (13,207) | (24,427) | (12,008) | (24,225) |
| Customer deposits | 74,987 | 17,026 | 23,378 | 13,922 |
| Cash flows from operating activities | 258,067 | 231,667 | 242,319 | 219,999 |
| Received interest | 3,784 | 103 | 3,784 | 103 |
| Cash paid for interest expense | (64,831) | (52,712) | (64,570) | (52,712) |
| Cash paid for corporate income tax | (9,276) | (9,520) | (7,849) | (8,949) |
| Net cash flows from operating activities | 187,744 | 169,538 | 173,684 | 158,441 |

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

(Unaudited but reviewed)

TICON Industrial Connection Public Company Limited and its subsidiaries**Cash flow statements (continued)****For the three-month periods ended 31 March 2011 and 2010**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------------|--------------------------------------|------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Cash flows from investing activities | | | | |
| Decrease (increase) in current investments | 28,765 | (10,003) | 28,765 | (10,003) |
| Increase in investment in associated company | (9,904) | - | (9,904) | - |
| Increase in pledged deposits at financial institution | (35,319) | - | - | - |
| Cash received from short-term loans to subsidiary | - | - | 66,500 | - |
| Cash paid for short-term loans to subsidiary | - | - | (332,777) | (164,000) |
| Cash paid for acquisition of investment properties under development and available for rent/sale, and investment properties for rent | (341,815) | (236,822) | (127,894) | (78,044) |
| Cash paid for acquisition property, plant and equipment | (1,898) | (1,242) | (1,305) | (1,174) |
| Cash paid for acquisition in computer software | (180) | - | (222) | - |
| Interest income from subsidiary | - | - | 18,300 | 3,600 |
| Dividend received from subsidiary | - | - | 15,000 | - |
| Dividend received from associated companies | 58,180 | 50,240 | 58,180 | 50,240 |
| Proceeds from sales of equipment | - | 10 | 420 | 10 |
| Proceeds from sales of computer software | - | - | 38 | - |
| Net cash flows used in investing activities | (302,171) | (197,817) | (284,899) | (199,371) |
| Cash flows from financing activities | | | | |
| Decrease in short-term loans and liabilities under trust receipts | (1,716) | (98,066) | (1,716) | (98,066) |
| Proceeds from issuance of debentures | - | 800,000 | - | 800,000 |
| Repayment of long-term loans from related party | - | (290,574) | - | (290,574) |
| Repayment of long-term loans | - | (447,797) | - | (447,797) |
| Cash received from share subscription | 541,247 | 102,642 | 541,247 | 102,642 |
| Dividend paid | - | (10) | - | (10) |
| Net cash flows from financing activities | 539,531 | 66,195 | 539,531 | 66,195 |
| Decrease in translation adjustment | 142 | - | - | - |
| Net increase in cash and cash equivalents | 425,246 | 37,916 | 428,316 | 25,265 |
| Cash and cash equivalents at beginning of period | 183,234 | 82,834 | 153,375 | 60,560 |
| Cash and cash equivalents at end of period | 608,480 | 120,750 | 581,691 | 85,825 |
| | - | - | - | - |
| Supplemental cash flows information: | | | | |
| Cash paid during the period for: | | | | |
| Interest capitalised to related assets | - | 455 | - | 455 |
| Non-cash items: | | | | |
| Acquisition of investment properties which payment has not been made | 207,073 | 276,954 | 58,796 | 93,880 |
| Adjustment of reverse for long-term employee benefits with the beginning balance of retained earnings - net | 11,480 | - | 9,856 | - |

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

TICON Industrial Connection Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month periods ended 31 March 2011 and 2010

1. General information

1.1 Corporate information

TICON Industrial Connection Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company and its subsidiaries are principally engaged in industrial real estate development business, which comprises the development of factories and warehouses, mainly for rent and occasionally for sale, and the provision of construction services.

The registered office of the Company is at No. 175 Sathorn City Tower, 13/1th Floor, South Sathorn Road, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements included the financial statements of TICON Industrial Connection Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010 with no changes in the structure of the Group during the current period.

Assets and revenues of the subsidiaries as included in the consolidated financial statements comprise the following percentages of the whole:

| Company's name | Country of incorporation | Nature of business | Percentage of Shareholding | | Assets as a percentage to the consolidated total assets | | Revenues as a percentage to the consolidated total revenues for the three - month periods ended | |
|--|--------------------------|---|----------------------------|-----------|---|-----------|---|-----------|
| | | | 31 | 31 | 31 | 31 | 31 | 31 |
| | | | March | December | March | December | March | March |
| | | | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | | | (Percent) | (Percent) | (Percent) | (Percent) | (Percent) | (Percent) |
| ECO Industrial Services Company Limited | Thailand | Development of real estate, development of factories for rent | 99.99 | 99.99 | 1 | 1 | 3 | 3 |
| TICON Logistics Park Company Limited | Thailand | Development of real estate, development of warehouses for rent/sale | 99.99 | 99.99 | 36 | 36 | 20 | 10 |
| Shanghai TICON Investment Management Company Limited | China | Fund management | 100.00 | 100.00 | - | - | - | - |

The financial statements of Shanghai TICON Investment Management Company Limited ("the Subsidiary") for the period ended 31 March 2011, which are included in the consolidated interim financial statements of the Company, were reviewed by its external auditor.

1.4 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

| | |
|-----------------------|---|
| TAS 1 (revised 2009) | Presentation of Financial Statements |
| TAS 2 (revised 2009) | Inventories |
| TAS 7 (revised 2009) | Statement of Cash Flows |
| TAS 8 (revised 2009) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2009) | Events after the Reporting Period |
| TAS 11 (revised 2009) | Construction Contracts |
| TAS 16 (revised 2009) | Property, Plant and Equipment |
| TAS 17 (revised 2009) | Leases |
| TAS 18 (revised 2009) | Revenue |
| TAS 19 | Employee Benefits |
| TAS 23 (revised 2009) | Borrowing Costs |

| | |
|-----------------------|--|
| TAS 24 (revised 2009) | Related Party Disclosures |
| TAS 26 | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2009) | Consolidated and Separate Financial Statements |
| TAS 28 (revised 2009) | Investments in Associates |
| TAS 29 | Financial Reporting in Hyperinflationary Economies |
| TAS 31 (revised 2009) | Interests in Joint Ventures |
| TAS 33 (revised 2009) | Earnings per Share |
| TAS 34 (revised 2009) | Interim Financial Reporting |
| TAS 36 (revised 2009) | Impairment of Assets |
| TAS 37 (revised 2009) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2009) | Intangible Assets |
| TAS 40 (revised 2009) | Investment Property |

Financial reporting standards:

| | |
|-----------------------|--|
| TFRS 2 | Share-Based Payment |
| TFRS 3 (revised 2009) | Business Combinations |
| TFRS 5 (revised 2009) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 | Exploration for and Evaluation of Mineral Resources |

Financial Reporting Standard Interpretations:

| | |
|----------|--|
| TFRIC 15 | Agreements for the Construction of Real Estate |
|----------|--|

Accounting Standard Interpretations:

| | |
|--------|--|
| SIC 31 | Revenue-Barter Transactions Involving Advertising Services |
|--------|--|

These accounting standards do not have any significant impact on the financial statements for the current period, except for the following accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company previously accounted for such employee benefits when they were incurred.

The Company and its subsidiary has changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period. The change has the effect of decreasing the profit of the Company and its subsidiary for the three-month period ended 31 March 2011 by Baht 0.6 million, or 0.001 Baht per share. The

cumulative effect of the changes in the accounting policy has been presented in Note 2 to the financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

Employee benefits

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Post-employment benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

2. Cumulative effect of change in accounting policy due to the adoption of new accounting standard

During the current period, the Company changed its significant accounting policy, described in Note 1.5 to the financial statements, as a result of the adoption of revised and new accounting standards. The change in this accounting policy has the effect of decreasing the beginning balance of consolidated retained earnings by Baht 11.5 million (Separate financial statements: decreasing profit by Baht 9.9 million), net of deferred tax assets of Baht 4.9 million (Separate financial statements: Baht 4.2 million). The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

3. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

- SIC 10 Government Assistance - No Specific Relation to Operating Activities
- SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

4. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | | | |
|---|--|-------------|----------------------|-------------|---|
| | Consolidated | | Separate | | |
| | financial statements | | financial statements | | Transfer Pricing Policy |
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | |
| <u>Transactions with subsidiary companies</u> | | | | | |
| (eliminated from the consolidated financial statements) | | | | | |
| Management fee income | - | - | 193 | 575 | 2% of rental and service income of subsidiaries |
| Construction fee income | - | - | 247 | 2,862 | 2% of construction expense of subsidiary which occurred during the period |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | | | |
|--|--|--------|----------------------|--------|--|
| | Consolidated | | Separate | | |
| | financial statements | | financial statements | | Transfer Pricing Policy |
| | 2011 | 2010 | 2011 | 2010 | |
| Interest income | - | - | 16,640 | 3,676 | MLR of a related bank and the average interest rate of debentures issued during the third quarter of 2010 plus certain rate |
| Dividend income | - | - | 15,000 | - | As declared |
| Land rental income | - | - | 1,312 | 1,312 | 4% of acquired cost |
| Other income | - | - | 74 | - | Contract amount |
| Revenues from construction services | - | - | - | 1,359 | Contract amount |
| Management fee | - | - | 1,185 | - | 3% of rental and service income of associated |
| <u>Transactions with associated companies</u> | | | | | |
| Management fee income from TICON Property Fund | 27,861 | 19,284 | 27,861 | 19,284 | 4 % of rental and service income of the associate, plus an incentive fee of 0 - 19.5% of gross operating profit, by lease commission for 2 month of rental and service fee and by sales at maximum of 3% of sales value |
| Management fee income from TPARK Logistics Park Property Fund | 6,153 | 5,019 | 6,153 | 5,019 | 55% of the gross rental and service income of the associate less the guaranteed amount, direct expense in relation to the property management and other reserve until 31 December 2016. After that 3% of the gross rentals and services income of the associate plus incentive fees computed at rate between 0%-10% of gross operating profit. |
| Sales of land and factory building | - | 30,500 | - | 30,500 | Close to appraisal value |
| Assurance for rental and service income | 315 | 74 | 315 | 74 | Normal commercial price |
| Dividend income | - | - | 58,180 | 50,240 | As declared |
| Revenues from construction services | - | 36 | - | 36 | Contract amount |
| Common area service fees | - | - | 6 | - | Normal commercial price |
| <u>Transactions with related companies</u> | | | | | |
| Office rental and related fees | 3,575 | 3,575 | 3,221 | 3,259 | Normal commercial price |
| Interest income | 4 | 2 | 4 | 2 | Market rate |
| Interest expense | 11,334 | 16,253 | 11,334 | 16,253 | MLR minus certain rates |
| Commission fee | 26 | - | 26 | - | Market price |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | | | |
|---|--|-------------|----------------------|-------------|---|
| | Consolidated | | Separate | | |
| | financial statements | | financial statements | | Transfer Pricing Policy |
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | |
| <u>Transactions between subsidiary company</u> | | | | | |
| <u>and associated company</u> | | | | | |
| Management fee income from TICON Property Fund | 1,444 | 92 | - | - | 2% of rental and service of the associate, plus an incentive fee of 0.5 - 10.5% of gross operating profit, by lease commission for 2 month of rental and service fee and by sales at maximum of 3% of sales value |
| Revenues from construction services | - | 95 | - | - | Contract amount |
| Common area service fees | 12 | 784 | - | - | Normal commercial price |

The nature of the relationships between the company and its related parties is summarised below.

| Related Parties Names | Relationships | Percentage holding of the Company |
|--|--|-----------------------------------|
| ECO Industrial Services Company Limited | Subsidiary Company | 99.99% |
| TICON Logistics Park Company Limited | Subsidiary Company | 99.99% |
| Shanghai TICON Investment Management Company Limited | Subsidiary Company | 100.00% |
| TICON Property Fund | Associated Company | 28.02% |
| TPARK Logistics Property Fund | Associated Company | 20.21% |
| Rojana Industrial Park Public Company Limited | Common shareholder / Co-Director | - |
| Asia Plus Securities Public Company Limited | Co-Director | - |
| Sathorn City Tower Property Fund | Common shareholder | - |
| Bangkok Bank Public Company Limited | Close family member of a director of the Company | - |

As at 31 March 2011 and 31 December 2010, the balance of accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Cash at bank (presented under cash and cash equivalents) | | | | |
| Bangkok Bank Public Company Limited | 590,389 | 154,530 | 570,232 | 134,003 |
| Other receivables - related parties | | | | |
| ECO Industrial Services Company Limited | - | - | 287 | 1,052 |
| TICON Logistics Park Company Limited | - | - | 3,559 | 95,239 |
| TICON Property Fund | 9,720 | 12,772 | 9,512 | 11,907 |
| TPARK Logistics Property Fund | 1,684 | 1,624 | 1,644 | 1,593 |
| Total | 11,404 | 14,396 | 15,002 | 109,791 |
| Short-term loans to and accrued interest from subsidiary | | | | |
| TICON Logistics Park Company Limited | | | | |
| Principal | - | - | 1,663,372 | 1,397,095 |
| Accrued interest | - | - | 11 | 1,671 |
| Total | - | - | 1,663,383 | 1,398,766 |
| Pledged deposits at financial institutions | | | | |
| Bangkok Bank Public Company Limited | 46,178 | 10,859 | 128 | 128 |
| Refundable deposits (presented under other non-current assets) | | | | |
| Sathorn City Tower Property Fund | 3,705 | 3,705 | 3,705 | 3,705 |
| Other payables - related parties | | | | |
| TICON Logistics Park Company Limited | - | - | 1,398 | 8,241 |
| TICON Property Fund | - | 315 | - | 315 |
| Total | - | 315 | 1,398 | 8,556 |
| Interest payable (presented under other current liabilities) | | | | |
| Bangkok Bank Public Company Limited | 126 | 126 | 126 | 126 |
| Unearned land rental income (presented under other current liabilities) | | | | |
| TICON Logistics Park Company Limited | - | - | 1,968 | 3,281 |
| Unearned equipment rental income (presented under other current liabilities) | | | | |
| ECO Industrial Services Company Limited | - | - | 15 | 38 |
| TICON Logistics Park Company Limited | - | - | 28 | 67 |
| Total | - | - | 43 | 105 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Long-term loans from related party | | | | |
| Bangkok Bank Public Company Limited | | | | |
| Long-term loans | 1,021,478 | 1,021,478 | 1,021,478 | 1,021,478 |
| Less: Current portion of long-term loans | (157,144) | (157,144) | (157,144) | (157,144) |
| Long-term loans, net | 864,334 | 864,334 | 864,334 | 864,334 |

Movements of short-term loans to and accrued interest from subsidiary during the period were as follows:

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|---|-------------------------------|----------|----------|-----------|
| | 31 December | | 31 March | |
| | 2010 | Increase | Decrease | 2011 |
| Short-term loans to and accrued interest from subsidiary | | | | |
| TICON Logistics Park Company Limited | | | | |
| Principal | 1,397,095 | 332,777 | (66,500) | 1,663,372 |
| Accrued interest | 1,671 | 16,640 | (18,300) | 11 |
| Total | 1,398,766 | 349,417 | (84,800) | 1,663,383 |

As at 31 March 2011, Short-term loan of Baht 1,663.4 million (31 December 2010: Baht 1,397.1 million) is unsecured loan to TICON Logistics Park Company Limited, subsidiary, and carries interest at a rate of 4.35 percent per annum (31 December 2010: 4.42 percent per annum).

The outstanding long-term loans obtained from a financial institution, which is also a related company, are as follows:

(Unit: Million Baht)

| | | Consolidated and Separate financial statements | | Principle conditions | | | |
|-----------------------|-----------------|--|-------------|----------------------|----------------|--------------------------|---|
| Loans | Contract date | 31 March | 31 December | Repayment | | Installment period | Interest rate |
| | | 2011 | 2010 | Period | Schedule | | |
| 1. | 21 January 2009 | 0.05 | 0.05 | 8 years | Every 6 months | November 2012 - May 2017 | MLR minus certain rate |
| 2. | 11 May 2009 | 1,021.43 | 1,021.43 | 8 years | Every 6 months | November 2010 - May 2017 | First 3 years fixed rate after first 3 years MLR minus certain rate |
| 3.* | 6 January 2010 | - | - | 9 years | Every 6 months | - | MLR minus certain rate |
| Total | | 1,021.48 | 1,021.48 | | | | |
| Less: Current portion | | (157.14) | (157.14) | | | | |
| Long term loans, net | | 864.34 | 864.34 | | | | |

* No draw down has been made for this facility.

As at 31 March 2011, part of the investment properties under development and available for rent/sale and investment properties for rent of the Company with a net book value of Baht 1,779.3 million (31 December 2010: Baht 1,775.9 million) and certain of the Company's investment units in TICON Property Fund with a value under the equity method amounting to Baht 340.7 million (31 December 2010: Baht 342.4 million) has been pledged as collateral for long-term loans.

As at 31 March 2011 and 31 December 2010, there were available long-term loan facilities from related party which had not yet been drawn down by the Company and its subsidiary of approximately Baht 1,333.3 million.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain certain debt to equity according to the agreements.

Directors and management's remuneration

For the three-month period ended 31 March 2011, the Company and its subsidiary had salaries, bonus, meeting allowance and gratuities and reserve for employee benefits of their directors and management recognised as expenses totaling Baht 6.8 million (2010: Baht 5.9 million).

Guarantee obligations with subsidiaries

The Company had outstanding guarantees with its subsidiaries as described in Note 14 and 21.3 (a) to the financial statements.

5. Current investments

| | Consolidated | | (Unit: Thousand Baht) | |
|---|----------------------|---------------------|-----------------------|---------------------|
| | financial statements | | Separate | |
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Held for trading securities | | | | |
| Unit trusts | 15,000 | - | 15,000 | - |
| Add: Unrealise gain on the change in value of investments | 48 | - | 48 | - |
| Unit trusts - net | 15,048 | - | 15,048 | - |
| Held to maturity debt security due within one year | | | | |
| Treasury bills | - | 119,940 | - | 119,940 |
| Government bonds | 803,557 | 727,430 | 803,557 | 727,430 |
| Total current investments | 818,605 | 847,370 | 818,605 | 847,370 |

6. Trade accounts receivable

The balances of trade accounts receivable as at 31 March 2011 and 31 December 2010, aged on the basis of due dates, are summarised below.

| | Consolidated | | (Unit: Thousand Baht) | |
|------------------------------------|----------------------|---------------------|-----------------------|---------------------|
| | financial statements | | Separate | |
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| <u>Age of receivables</u> | | | | |
| Not over 3 months | 15,294 | 10,607 | 11,936 | 7,567 |
| 3 - 12 months | 3,903 | 4,390 | 3,903 | 4,390 |
| Over 12 months | 2,296 | 3,859 | 2,296 | 3,859 |
| Total | 21,493 | 18,856 | 18,135 | 15,816 |
| Less: Allowance for doubtful debts | (5,852) | (5,161) | (5,852) | (5,161) |
| Trade accounts receivable, net | 15,641 | 13,695 | 12,283 | 10,655 |

The balance of trade accounts receivable are classified by type of business as follows:

| Type of accounts receivable | (Unit: Thousand Baht) | | | |
|--|-----------------------|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2011 | 2010 | 2011 | 2010 |
| Accounts receivable from rental and services | 12,394 | 13,453 | 9,036 | 10,413 |
| Accounts receivable from construction services | 3,247 | 242 | 3,247 | 242 |
| | <u>15,641</u> | <u>13,695</u> | <u>12,283</u> | <u>10,655</u> |

7. Pledged deposits at financial institution

As at 31 March 2011, the Company and its subsidiaries have deposits at financial institutions of Baht 46.2 million (31 December 2010: Baht 10.9 million) which are pledged with certain banks as collateral for open letter of credit and trust receipt credit lines together with pre-settlement risk lines and letters of guarantees issued by banks in favor of a government entity, a state enterprise and private companies.

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

| | | (Unit: Thousand Baht) | | | | | | | |
|---|---|-------------------------------|-------------|-------------------------|-------------|-----------|-------------|-------------------------------|----------|
| | | Separate financial statements | | | | | | Dividend received during | |
| Company | Nature of business | Paid-up capital | | Shareholding percentage | | Cost | | the three-month periods ended | |
| | | 31 March | 31 December | 31 March | 31 December | 31 March | 31 December | 31 March | 31 March |
| | | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | | | | (%) | (%) | | | | |
| ECO Industrial Services Company Limited | Development of real estate, development of factories for rent | 50,000 | 50,000 | 99.99 | 99.99 | 50,000 | 50,000 | 15,000 | - |
| TICON Logistics Park Company Limited | Development of real estate, development of warehouses for rent/sale | 2,500,000 | 2,500,000 | 99.99 | 99.99 | 2,515,000 | 2,515,000 | - | - |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Separate financial statements | | | | | | | | | |
|---|--------------------|-----------------|-------------|-------------------------|-------------|-----------|-------------|--|----------|
| Company | Nature of business | Paid-up capital | | Shareholding percentage | | Cost | | Dividend received during the three-month periods ended | |
| | | 31 March | 31 December | 31 March | 31 December | 31 March | 31 December | 31 March | 31 March |
| | | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | | | | (%) | (%) | | | | |
| Shanghai TICON Investment Management Company Limited ^(a) | Fund management | 12,776 | 12,776 | 100.00 | 100.00 | 12,776 | 12,776 | - | - |
| Total investments in subsidiaries | | | | | | 2,577,776 | 2,577,776 | 15,000 | - |

(a) Reviewed by other auditor

During the period 2011, there have been changes of investments in subsidiaries as follows: -

- (a) On 12 January 2011, the meeting of the Board of Directors No. 1/2011 of ECO Industrial Services Company Limited, a subsidiary, approved a dividend payment to the shareholders of Baht 1.5 per share from the net profit under tax privileges of the year 2005. The dividend, totaling Baht 7.5 million, was paid on 17 January 2011.
- (b) On 8 March 2011, the meeting of the Board of Directors No. 2/2011 of ECO Industrial Services Company Limited, a subsidiary, approved a dividend payment (a second time) to the shareholders of Baht 1.5 per share from the net profit under tax privileges of the year 2005. The dividend, totaling Baht 7.5 million, was paid on 15 March 2011.

9. Investments in associates

9.1 Details of associates:

| Company | Nature of business | Country of incorporation | Paid up Capital | | Number of Investment Units | | Percentage owned by the Company | |
|-------------------------------|-------------------------|--------------------------|-----------------|----------------|----------------------------|-----------------|---------------------------------|-------------|
| | | | 31 March | 31 December | 31 March | 31 December | 31 March | 31 December |
| | | | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | | | (Million Baht) | (Million Baht) | (Million Units) | (Million Units) | (Percent) | (Percent) |
| TICON Property Fund | Investing in properties | Thailand | 9,487.0 | 9,487.0 | 259.0 | 259.0 | 28.02 | 28.02 |
| TPARK Logistics Property Fund | Investing in properties | Thailand | 1,533.0 | 1,533.0 | 31.0 | 30.1 | 20.21 | 19.66 |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| Company | Consolidated financial statements | | | | Separate financial statements | | | |
|--------------------------------|-----------------------------------|-------------|---------------------|----------|-------------------------------|-------------|-------------------|----------|
| | Carrying amounts based on | | Share of income | | Carrying amounts based on | | Dividend received | |
| | equity method | | from investments in | | cost method | | during the period | |
| | 31 March | 31 December | 31 March | 31 March | 31 March | 31 December | 31 March | 31 March |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| TICON Property Fund | 2,560,175 | 2,568,221 | 43,752 | 39,165 | 2,670,203 | 2,670,203 | 51,798 | 50,240 |
| Less: Deferred gain on sales | | | | | | | | |
| of properties | (955,796) | (955,796) | - | - | - | - | - | - |
| Investments in TICON | | | | | | | | |
| Property Fund - net | 1,604,379 | 1,612,425 | 43,752 | 39,165 | 2,670,203 | 2,670,203 | 51,798 | 50,240 |
| TPARK Logistics | | | | | | | | |
| Property Fund | 309,350 | 300,715 | 5,112 | 4,200 | 311,800 | 301,896 | 6,382 | - |
| Less: Deferred gain on sales | | | | | | | | |
| of properties | (91,176) | (92,430) | - | - | - | - | - | - |
| Investments in TPARK | | | | | | | | |
| Logistics Property Fund - net | 218,174 | 208,285 | 5,112 | 4,200 | 311,800 | 301,896 | 6,382 | - |
| Investments in associates, net | 1,822,553 | 1,820,710 | 48,864 | 43,365 | 2,982,003 | 2,972,099 | 58,180 | 50,240 |
| Unit price of investments in | | | | | | | | |
| TICON Property Fund (Baht) | 6.19 | 6.23 | 0.17 | 0.16 | 10.31 | 10.31 | 0.20 | 0.20 |
| TPARK Logistics Property | | | | | | | | |
| Fund (Baht) | 7.04 | 6.92 | 0.16 | 0.14 | 10.06 | 10.03 | 0.21 | - |

As at 31 December 2010, the Company's holding in TPARK Logistics Property Fund ("the Fund") is 19.66 percent of units. However, the Company is the Property management of the Fund and therefore, presented investment in the Fund as investment in an associate.

9.2 Movements of investments in associates during the three-month period ended 31 March 2011 are summarised below.

| | (Unit: Million Baht) | |
|---------------------------------|----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| Investment in associates | | |
| Balance at beginning of period | 2,868.9 | 2,972.1 |
| Purchases of investment | 9.9 | 9.9 |
| Share of income | 48.9 | - |
| Dividend received | (58.2) | - |
| Balance at end of period | 2,869.5 | 2,982.0 |

(Unit: Million Baht)

| | Consolidated financial statements |
|--|--------------------------------------|
| Deferred gains on sales of properties | |
| Balance at beginning of period | 1,048.2 |
| Decrease during the period | (1.3) |
| Balance at end of period | 1,046.9 |
| Investments in associates, net | 1,822.6 |

9.3 Fair value investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values are as follows:

| Company's name | Fair values as at | | Fair value per unit as at | |
|-------------------------------|-------------------|----------------|---------------------------|-------------|
| | 31 March | 31 December | 31 March | 31 December |
| | 2011 | 2010 | 2011 | 2010 |
| | (Million Baht) | (Million Baht) | (Baht) | (Baht) |
| TICON Property Fund | 3,004 | 3,030 | 11.6 | 11.7 |
| TPARK Logistics Property Fund | 363 | 344 | 11.7 | 11.4 |
| Total | 3,367 | 3,374 | | |

- 9.4 As at 31 March 2011 and 31 December 2010, the Company's investment units in TICON Property Fund of 68.0 million units with a value under the equity method amounting to Baht 421.2 million (31 December 2010: Baht 423.4 million) are pledged with a bank as collateral for short-term loans and long-term loans. In addition, the Company's investment units in the TPARK Logistics Property Fund of 15.0 million units with a value under the equity method amounting to Baht 105.6 million (31 December 2010: Baht 103.7 million) are pledged with a bank as collateral for guarantee of lease and service incomes, as discussed in Note 21.5 to the financial statements.

10. Investment properties under development and available for rent/sale

Movements of the investment properties under development and available for rent/sale account during the three-month period ended 31 March 2011 are summarised below.

| | (Unit: Thousand Baht) | |
|---|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Net book value as at 31 December 2010 | 4,742,156 | 1,979,741 |
| Acquisitions during period - at cost | 433,108 | 140,164 |
| Depreciation for construction equipment capitalised as assets | 1,217 | 364 |
| Transfer to investment properties for rent | (938,585) | (141,826) |
| Depreciation for period | (14,598) | (6,587) |
| Depreciation for transfer during period | 33,396 | 1,211 |
| Net book value as at 31 March 2011 | 4,256,694 | 1,973,067 |

Investment properties under development and available for rent/sale and capitalised interest cost were described as follow:

| | (Unit :Thousand Baht) | | | |
|---|--------------------------------------|---------------------|----------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Investment properties under development | 2,897,781 | 3,011,668 | 1,261,222 | 1,241,042 |
| Capitalized interest expenses from the part of loan from financial institution and debentures | - | 1,217 | - | 1,217 |
| Capitalisation rate (%) | - | 4.39 | - | 4.39 |

Details of collateralised and uncollateralized investment properties of the Company and its subsidiaries are provided below.

(Unaudited but reviewed)

| Type of assets | (Unit :Thousand Baht) | | | |
|--|-----------------------------------|---------------------|-------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| <u>Investment properties under collateral</u> | | | | |
| Investment properties under development | 1,056,802 | 1,205,386 | 391,600 | 443,304 |
| Investment properties available for rent/sale, net | 1,058,817 | 1,350,645 | 579,997 | 578,916 |
| | <u>2,115,619</u> | <u>2,556,031</u> | <u>971,597</u> | <u>1,022,220</u> |
| <u>Investment properties under non-collateral</u> | | | | |
| Investment properties under development | 1,840,979 | 1,806,282 | 869,622 | 797,738 |
| Investment properties available for rent/sale, net | 300,096 | 379,843 | 131,848 | 159,783 |
| | <u>2,141,075</u> | <u>2,186,125</u> | <u>1,001,470</u> | <u>957,521</u> |
| Total | <u>4,256,694</u> | <u>4,742,156</u> | <u>1,973,067</u> | <u>1,979,741</u> |

Investment properties under development and available for rent/sale of the Company and its subsidiaries have been used as collateral for bank overdraft, short-term loans and long-term loans from financial institutions.

11. Investment properties for rent

Movements of the investment properties for rent account during the three-month period ended 31 March 2011 are summarised below.

| | (Unit: Thousand Baht) | |
|---|-----------------------------------|-------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Net book value as at 31 December 2010 | 3,921,054 | 2,757,811 |
| Transfer from investment properties under development and available for rent/sale | 938,585 | 141,826 |
| Depreciation for period | (46,040) | (26,414) |
| Depreciation for transfer during period | <u>(33,396)</u> | <u>(1,211)</u> |
| Net book value as at 31 March 2011 | <u>4,780,203</u> | <u>2,872,012</u> |

The Company and its subsidiaries have several operating lease agreements in respect of the lease of land, factory and warehouse buildings. The terms of the agreements are generally between 6 months to 12 years. As at 31 March 2011,

(Unaudited but reviewed)

future minimum rental income to be generated under these operating leases is as follows.

| | (Unit: Million Baht) | |
|------------------|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Less than 1 year | 389.3 | 262.9 |

Details of collateralised and uncollateralised investment properties for rent of the Company and its subsidiaries are provided below.

| | (Unit :Thousand Baht) | | | |
|--------------------------------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Investment properties for rent | | | | |
| - Under collateral, net | 3,095,215 | 2,679,889 | 2,280,522 | 2,243,815 |
| - Under non-collateral, net | 1,684,988 | 1,241,165 | 591,490 | 513,996 |
| Total | 4,780,203 | 3,921,054 | 2,872,012 | 2,757,811 |

Investment properties for rent of the Company and its subsidiaries have been used as collateral for bank overdrafts, short-term loans and long-term loans from financial institutions.

As at 31 March 2011, the book values of the leased assets which the lessees have the option to buy are as follows (leased assets which the lessees have an option to buy comprises land and factories or factories which the Company leases to its tenants under lease agreements with an option to buy, with the selling prices of the land being determined based on fair market value at the transaction date and the selling prices of the factories being determined based on cost of construction plus a margin, minus depreciation from the agreement date to the date of the transaction; inflation may also be taken into account):

| | (Unit: Thousand Baht) |
|--------------------|-----------------------|
| Option starting in | |
| 2011 | 1,211,047 |
| 2012 | 86,096 |
| 2013 | 168,712 |
| Total | 1,465,855 |

12. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2011 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | Separate financial statements |
|---|--------------------------------------|----------------------------------|
| Net book value as at 31 December 2010 | 564,851 | 11,931 |
| Acquisition during period - at cost | 1,598 | 1,005 |
| Disposals during period - net book value | - | (120) |
| Depreciation for construction equipment capitalised as assets | (1,217) | (364) |
| Depreciation for period | (7,490) | (1,384) |
| Translation adjustment | 28 | - |
| Net book value as at 31 March 2011 | 557,770 | 11,068 |

As at 31 March 2011, the Company's and subsidiary's land, land improvement and building with a net book value of Baht 405.8 million (31 December 2010: Baht 409.3 million) have been used as collateral for bank overdrafts, short-term loans and long-term loans from financial institutions.

13. Short-term loans and liabilities under trust receipts

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Liabilities under trust receipts | - | 1,716 | - | 1,716 |
| Total | - | 1,716 | - | 1,716 |

As at 31 March 2011 and 31 December 2010, the Company had overdraft lines and short-term loan credit facilities totaling Baht 99.5 million.

As at 31 March 2011, parts of the Company's and its subsidiaries' investment properties under development and available for rent/sale, investment properties for rent with a net book value of Baht 99.1 million (31 December 2010: Baht 101.3 million) and certain of the Company's investment units in TICON Property Fund with a value under the equity method amounting to Baht 80.5 million (31 December 2010: Baht 81.0 million) have been pledged as collateral for liabilities under trust receipts, bank overdrafts and short-term loans from financial institutions.

14. Long-term loans

As at 31 March 2011 and 31 December 2010, the Company and its subsidiaries had no outstanding long-term loans from financial institutions because they had fully repaid such loan.

As at 31 March 2011 and 31 December 2010, the long-term loan credit facilities of the Company and its subsidiary which have not yet been drawn down amounted to Baht 1,362.3 million.

As at 31 March 2011, most of the Company and its subsidiary's investment properties under development and available for rent/sale, investment properties for rent and its subsidiary's land and building with a net book value of Baht 3,738.2 million (31 December 2010: Baht 3,768.0 million) have been pledged as collateral for aforesaid long-term loans. In addition, as at 31 March 2011 and 31 December 2010, its subsidiary's credit facilities amounting to Baht 2,960.6 million are guaranteed by the Company.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company and its subsidiary to maintain certain debt to equity ratios according to the agreements.

15. Debentures

The Company issued 5.15 million unsubordinated, and unsecured debentures. The debentures, which have a face value of Baht 1,000 each, were sold at an offer price of Baht 1,000 per unit, or for a total of Baht 5,150 million. Significant details of the debentures are summarised below.

(Unaudited but reviewed)

| <u>No.</u> | <u>Issued date</u> | <u>No. of debentures</u> | <u>Amount</u> | <u>Coupon rate</u> | <u>Tenure</u> | <u>Maturity date</u> |
|------------|--------------------|--------------------------|----------------|--------------------|---------------|----------------------|
| | | (Million units) | (Million Baht) | (% p.a.) | | |
| 1/2008 | 14 May 2008 | 0.50 | 500 | 4.660% | 3 years | 14 May 2011 |
| 2/2008 | 5 August 2008 | 0.50 | 500 | 5.400% | 3 years | 5 August 2011 |
| 1/2009 | 19 August 2009 | 0.65 | 650 | 4.550% | 3 years | 19 August 2012 |
| 2/2009 | 28 September 2009 | 0.20 | 200 | 4.300% | 3 years | 2 October 2012 |
| 3/2009 | 19 November 2009 | 1.00 | 1,000 | 4.300% | 3.5 years | 19 May 2013 |
| 1/2010 | 12 February 2010 | 0.55 | 550 | 3.400% | 3 years | 12 February 2013 |
| 1/2010 | 12 February 2010 | 0.25 | 250 | 4.280% | 5 years | 12 February 2015 |
| 2/2010 | 5 July 2010 | 0.50 | 500 | 3.100% | 3 years | 5 July 2013 |
| 3/2010 | 3 September 2010 | 0.30 | 300 | 3.350% | 3 years | 3 September 2013 |
| 3/2010 | 3 September 2010 | 0.20 | 200 | 3.730% | 5 years | 3 September 2015 |
| 4/2010 | 29 September 2010 | 0.28 | 280 | 3.400% | 4 years | 29 September 2014 |
| 4/2010 | 29 September 2010 | 0.22 | 220 | 3.520% | 5 years | 29 September 2015 |
| | | <u>5.15</u> | <u>5,150</u> | | | |

The debentures impose certain restrictions on the Company relating to, among other things, the maintenance of certain debt to equity ratios.

| | (Unit: Thousand Baht) | |
|-------------------------------------|--|---------------------|
| | Consolidated financial statements / Separate financial statements | |
| | 31 March 2011 | 31 December 2010 |
| Debentures | 5,150,000 | 5,150,000 |
| Less: Current portion | (1,000,000) | (1,000,000) |
| Debentures - net of current portion | <u>4,150,000</u> | <u>4,150,000</u> |

16. Share capital

Reconciliation of share capital which issued and paid-up

| <u>Description</u> | <u>Number of shares</u> | <u>Paid-up share capital</u> | <u>Premium on ordinary shares</u> | <u>Registration date</u> |
|--|-----------------------------|----------------------------------|---|------------------------------|
| | (Thousand shares) | (Thousand Baht) | (Thousand Baht) | |
| <u>Issued and paid-up ordinary share</u> | | | | |
| The beginning of the period - | | | | |
| 31 December 2010 | 686,346 | 686,346 | 2,857,905 | |
| Increase due to exercise of warrants: | | | | |
| No. 4/2010 | | | | |
| TICON-W4 | 13,352 | 13,352 | 92,236 | 6 January 2011 |
| The end of period - 31 March 2011 | <u>699,698</u> | <u>699,698</u> | <u>2,950,141</u> | |

17. Warrants

Details of the warrants of the Company which were issued without charge are as follows:

| Warrant | Issued to | Issuance date of warrant | Number of warrant issued | Period of warrant | As of issued date | | The exercise period | Exercise date |
|----------|----------------------------|-----------------------------|--------------------------------|----------------------|--------------------------------|------------------------------------|------------------------------------|---|
| | | | | | Exercise price per share | Exercise ratio per 1 warrant | | |
| TICON-W3 | Ordinary shares | 3 February 2009 | 219,353,636 | 5 years | 20.000 | 1.00000 | 31 March 2010 - 31 January 2014 | Exercise on the last business day of each quarter |
| TICON-W4 | Ordinary shares | 22 May 2009 | 109,677,073 | 2 years | 8.000 | 1.00000 | 30 June 2009 - 20 May 2011 | Exercise on the last business day of each quarter |
| TICON-W5 | Directors and employees | 14 May 2009 | 32,883,000 | 5 years | 8.000 | 1.00000 | 29 June 2012 - 13 May 2014 | Exercise on the last business day of each quarter |
| Total | | | <u>361,913,709</u> | | | | | |

The Company readjusted the exercise price and ratio of its warrants as follows: -

| Date | Warrant | Exercise price per share | Exercise ratio per 1 warrant | Effective date |
|------------|----------|-----------------------------|---------------------------------|----------------|
| 4 May 2010 | TICON-W3 | Baht 19.688 | 1.01583 ordinary shares | 30 June 2010 |
| 4 May 2010 | TICON-W4 | Baht 7.908 | 1.01164 ordinary shares | 30 June 2010 |
| 4 May 2010 | TICON-W5 | Baht 7.908 | 1.01164 ordinary shares | 29 June 2012 |

Movements of warrants of the Company during the period are as follows: -

| Warrant | Number of warrants outstanding as at 31 December 2010 | Number of warrants exercised during the period | Number of warrants outstanding as at 31 March 2011 |
|----------|---|--|--|
| TICON-W3 | 219,349,803 | - | 219,349,803 |
| TICON-W4 | 80,298,522 | (67,655,518) | 12,643,004 |
| TICON-W5 | 32,883,000 | - | 32,883,000 |
| Total | <u>332,531,325</u> | <u>(67,655,518)</u> | <u>264,875,807</u> |

On 31 March 2011, the warrant holders exercised 67,655,518 TICON-W4 warrants to purchase 68,442,956 ordinary shares at Baht 7.908 each. The Company recorded the total of Baht 541.2 million received as a result of the exercise of such warrants under the caption "Cash receipts from share subscription", presenting it under shareholders' equity in the statements of financial position. The Company registered the above increase in its paid up share capital to be Baht 768,140,676 with the Ministry of Commerce on 4 April 2011. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities as from 8 April 2011.

18. Corporate income tax and deferred tax assets / liabilities

The income tax expenses for the three-month periods ended 31 March 2011 and 2010 are as follows:

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | | |
|---|--|---------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Current income tax | 24,294 | 22,783 | 20,319 | 22,783 |
| Increase in deferred tax assets | (1,185) | (1,289) | (1,150) | (279) |
| Increase (decrease) in deferred tax liabilities | (35) | 744 | 135 | 744 |
| Income tax as included in income statement | <u>23,074</u> | <u>22,238</u> | <u>19,304</u> | <u>23,248</u> |

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the three-month periods ended 31 March 2011 and 2010 is as follows:

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | | |
|---|--|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| Accounting profit before income tax | <u>114,879</u> | <u>137,778</u> | <u>136,047</u> | <u>142,036</u> |
| Applicable tax rate - 30% (2010: 25% for the first amounted Baht 300 million of the profit of the Company, 30% for the excess amounted Baht 300 million of the profit of the Company and 30% for the profit of its subsidiaries) | 34,464 | 34,445 | 40,814 | 35,509 |
| Tax effect of non-deductible expenses and income | <u>(11,390)</u> | <u>(12,207)</u> | <u>(21,510)</u> | <u>(12,261)</u> |
| Income tax as included in income statements | <u>23,074</u> | <u>22,238</u> | <u>19,304</u> | <u>23,248</u> |

The components of deferred tax assets/liabilities as presented in the statements of financial position consist of:

| | Consolidated | | (Unit: Thousand Baht) | |
|--|----------------------|-------------|-----------------------|-------------|
| | financial statements | | Separate | |
| | 31 March | 31 December | 31 March | 31 December |
| | 2011 | 2010 | 2011 | 2010 |
| <u>Deferred tax assets</u> | | | | |
| Unrealised gain on sales of properties to associates | 254,865 | 254,865 | - | - |
| Unearned income from construction services | 1,634 | 738 | 1,634 | 738 |
| Provision for long-term employee benefits | 5,112 | - | 4,381 | - |
| Others | 2,952 | 2,855 | 2,952 | 2,855 |
| Total | 264,563 | 258,458 | 8,967 | 3,593 |
| <u>Deferred tax liabilities</u> | | | | |
| Operating leases receivables | 7,095 | 7,130 | 5,419 | 5,284 |
| Total | 7,095 | 7,130 | 5,419 | 5,284 |

19. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

| Consolidated financial statements | | | | | | |
|---|--------------------|---|----------------------|--------------------|--------|------|
| For the three-month periods ended 31 March | | | | | | |
| Profit | | Weighted average number of ordinary shares | | Earnings per share | | |
| 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) | |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the parent | 91,805 | 115,540 | 700,458* | 665,992 | 0.13 | 0.17 |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants | | | | | | |
| TICON-W4 | - | - | 31,863 | 17,265 | | |
| TICON-W5 | - | - | 13,172 | 5,262 | | |
| Diluted earnings per share | | | | | | |
| Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares | 91,805 | 115,540 | 745,493 | 688,519 | 0.12 | 0.17 |

| Separate financial statements | | | | | | |
|---|--------------------|---|----------------------|--------------------|--------|------|
| For the three-month periods ended 31 March | | | | | | |
| Profit | | Weighted average number of ordinary shares | | Earnings per share | | |
| 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | |
| (Thousand Baht) | (Thousand Baht) | (Thousand shares) | (Thousand shares) | (Baht) | (Baht) | |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the parent | 116,743 | 118,788 | 700,458* | 665,992 | 0.17 | 0.18 |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants | | | | | | |
| TICON-W4 | - | - | 31,863 | 17,265 | | |
| TICON-W5 | - | - | 13,172 | 5,262 | | |
| Diluted earnings per share | | | | | | |
| Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares | 116,743 | 118,788 | 745,493 | 688,519 | 0.16 | 0.17 |

* Includes the ordinary shares resulting from the exercise of warrants on 31 March 2011

The warrants allocated to the existing shareholders of the Company (TICON-W3) for the three-month period ended 31 March 2011 and 2010 were not included in the calculation of diluted earnings per share since the exercise price of the warrants exceeds the average fair value of the Company's ordinary shares.

20. Segment information

The Company and its subsidiaries' main business is real estate development, which comprises the development of factories and warehouses, mainly for rent and occasionally for sale and the provision of construction services. These operations are mainly carried on in Thailand.

Below is the consolidated financial information of the Company and its subsidiaries for the three-month periods ended 31 March 2011 and 2010 by segment.

(Unit: Million Baht)

| | For the three-month periods ended 31 March | | | | | |
|--|--|------|-------------------------------|------|-------|------|
| | Real estate business | | Construction service business | | Total | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Revenues | 219 | 291 | 4 | 3 | 223 | 294 |
| Segment income | 161 | 203 | 1 | 1 | 162 | 204 |
| Unallocated income and expenses: | | | | | | |
| Other income | | | | | 40 | 32 |
| Selling expenses | | | | | (3) | (5) |
| Administrative expenses | | | | | (46) | (40) |
| Depreciation and amortisation expenses | | | | | (23) | (23) |
| Other expenses | | | | | - | (4) |
| Share of income from investments | | | | | | |
| in associates | | | | | 49 | 40 |
| Finance cost | | | | | (64) | (66) |
| Corporate income tax | | | | | (23) | (22) |
| Profit for the period | | | | | 92 | 116 |

The Company and its subsidiaries have applied the transfer prices as described in Note 4 to the financial statements.

21. Commitments and contingent liabilities**21.1 Long-term lease agreements**

- a) The Company and its subsidiaries have commitments in respect of six contracts made with "Industrial Estate Authority of Thailand" to rent land for the construction of standard factories for rent. These lease agreements can not be cancelled and are summarised as follows.

| Contract No. | Contract period | Fees | |
|------------------------|-------------------------------------|-----------------------------|-----|
| 21/2538-Ngor Chor | 13 December 1995 - 12 December 2025 | Baht 4.70 million per annum | (a) |
| 14/2540-Ngor Chor | 14 November 1997 - 13 November 2027 | Baht 0.66 million per annum | (a) |
| 8/2542-Ngor Chor | 18 August 1999 - 17 August 2029 | Baht 2.21 million per annum | (a) |
| 9/2544-Ngor Chor | 6 June 2001 - 31 December 2018 | Baht 5.59 million per annum | (b) |
| Ngor Chor.Kor 002/2548 | 25 January 2005 - 31 December 2018 | Baht 0.75 million per annum | (b) |
| Ngor Chor.005/2549 | 25 April 2006 - 31 December 2018 | Baht 2.08 million per annum | (b) |

(a) This amount be raised every ten years by an amount which does not exceed 10 percent of the previous rental fee

(b) This amount be raised every five years by an amount which does not exceed 10 percent of the previous rental fee

- b) The Company has commitments in respect of office rental and related service agreements made with a related company, with rental and service fees charged at a rate of Baht 14.3-14.8 million per annum. These lease agreements can not be cancelled and covers a 3-year period as from July 2009 to June 2012.

As at 31 March 2011, the Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating leases contracts as follows.

| | (Unit: Million Baht) | |
|-------------------|--------------------------------------|----------------------------------|
| Payable within: | Consolidated financial statements | Separate financial statements |
| Less than 1 year | 32.9 | 24.9 |
| 1 to 5 years | 77.2 | 49.9 |
| More than 5 years | 121.7 | 102.6 |

21.2 Capital commitments

| | (Unit: Million Baht) | | | |
|--|--------------------------------------|---------------------|----------------------------------|---------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 31 March 2011 | 31 December 2010 | 31 March 2011 | 31 December 2010 |
| Agreements to purchase land for construction of future warehouses | 249.0 | 249.0 | - | - |
| Agreements with contractors | 486.0 | 290.3 | 50.6 | 39.6 |
| Agreements for landfill | - | 0.1 | - | - |

| | | | | |
|-------|-------|-------|------|------|
| Total | 735.0 | 539.4 | 50.6 | 39.6 |
|-------|-------|-------|------|------|

21.3 Bank guarantees

- (a) The Company has guaranteed bank guarantee facilities of its subsidiaries amounting to Baht 146.2 million.
- (b) As at 31 March 2011, there were outstanding bank guarantees issued by the bank on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the business of the Company are categorised by purpose as follows:

(Unit: Million Baht)

| Purpose of Guarantees | Consolidated financial statements | Separate financial statements |
|-------------------------------------|--------------------------------------|----------------------------------|
| Long-term land lease agreements | 34.6 | 23.5 |
| Utilities for construction projects | 9.0 | 4.3 |
| Retention for construction projects | 35.2 | - |
| Operation for construction projects | 11.5 | 7.2 |
| Free Zone Establishment | 5.0 | - |
| Total | 95.3 | 35.0 |

21.4 Servitude over property

As at 31 March 2011 and 31 December 2010, the Company and its subsidiary have servitude over land of approximately 82 rai (The company only: 53 rai) of which the net book value is Baht 166.5 million (The company only : Baht 131.8 million) and is presented under investment properties for rent and property, plant and equipment.

21.5 Guarantee of lease and service incomes

The Company as the property manager of TPARK Logistics Property Fund (“the Fund”) has guaranteed the minimum rental and service incomes net of common area service fees of Baht 118.5 million per annum for the vacant warehouses for the period from 1 January 2010 to 31 December 2016. In the event that the total rental and service incomes net of common area service fees of the vacant warehouses are less than the above guaranteed amounts, the Company is obliged to pay the shortfall amounts to the Fund.

As at 31 March 2011 and 31 December 2010, 15.0 million of the Company’s investment units in the Fund, with a value under the equity method of Baht 105.6

(Unaudited but reviewed)

million (31 December 2010: Baht 103.7 million), are pledged with a bank as collateral for this guarantee.

22. Subsequent event

22.1 The annual general meeting of the shareholders No. 1/2011 held on 25 April 2011 passed the following resolutions:

- a) Approved a dividend payment of Baht 1.00 per share from the 2010 earnings. The Company will close the share register on the date of 4 May 2011 and pay the dividend on 19 May 2011.
- b) Issue and offer up to Baht 2,000 million of additional debentures, comprising 2 million registered, unsubordinated, unsecured debentures with a par value of Baht 1,000 each, and a maturity of not more than 10 years. The proceeds from the debenture issue are to be used to fund operations, business expansion and/or refinance certain portions of the Company's existing debts.

22.2 The Board of Directors' meeting No. 3/2011 held on 18 May 2011 passed the following resolutions, to be proposed to the Extraordinary Meeting of Shareholders No. 1/2011 for approval.

- a) Issue up to 80,000,000 units of Taiwan Depositary Receipts (TDRs) or the right of the shares of the Company to be offered to the public in the Republic of China (Taiwan), and appoint the Board of Directors and/or the Director and/or Managing Director and/or an authorized representative, to establish regulations, conditions and details related to the offer of these Taiwan Depositary Receipts (TDRs).
- b) Increase the registered share capital of the Company from Baht 1,037,252,920 to Baht 1,117,252,920, through the issue of 80,000,000 shares with a par value of Baht 1 each, to be reserved to support the offering of TDRs.

These resolutions will be proposed to the Company's Extraordinary Meeting of Shareholders No. 1/2011, to be held on 23 June 2011, for approval.

23. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 18 May 2011.