



Being a part of your business success

ANNUAL
REPORT |
2011

READY-BUILT FACTORIES

BUILT-TO-SUIT

VALUE-ADDED
SERVICES

LOGISTICS
WAREHOUSES



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MESSAGE FROM THE CHAIRMAN OF THE BOARD



2011 was an eventful year for TICON and our customers, and generally one which we are glad to see past, particularly with the dreadful earthquake and tsunami in Japan in March and the Thai floods in October and November. However, the domestic and regional economies performed well in contrast to Western economic gloom, and the underlying state of the markets here remained healthy. In reviewing the year, I will start with a summary of the business for our products.

Factories

The year started with a brisk market for standard factories, mainly as a result of the broadening of the Thai auto industry from one dominated by small pickup trucks to a more mature mix including small to medium sized saloon cars. With the Japanese as lead players in the auto sector, this major investment in new assembly lines has brought to Thailand a new group of component manufacturers in their supply chains, and these are important new customers for TICON.

The Japanese earthquake and tsunami in March resulted in major disruptions to the supply chain globally, and the Japanese auto producers in Thailand were badly affected with lost production, as essential components from Japan were not available. As a result, a new wave of Japanese manufacturers decided to move to Thailand in order to replace their damaged factories and resolve electricity shortages in their former locations, and to be closer to the Thai assembly lines. The strong Yen, and the relatively high Japanese production cost have also given further impetus to a manufacturing move from Japan to Thailand.

The flood in the Ayudhya area in October and November had a disastrous effect on 58 of our customers (about 37% of TICON standard factory portfolio) in four locations – Rojana Industrial Park, Hi-Tech Industrial Estate, Bangpa-In Industrial Estate, and Navanakorn Industrial Promotion Zone. The damage to the factory buildings themselves was minimal when compared to damage to our customers' plant and machinery, much of which are highly specialized and need to take time to have replacements delivered. Under contractual terms with our customers, rents cease when factories are not capable of beneficial occupation. TICON team has been working closely with our customers to have their factories recommenced operation and rental payment in the shortest time possible.

The leases also gave customers the ability to terminate leases early in such a major event, and a number have done so, as well as some others decide to move to factories of ours in other areas. However, most of our customers chose to remain, and the challenge for them was to get back into production as soon as possible.

Despite the effects of the flood, during 2011 we increased the portfolio of leased factories. Net leasing for 2011 totaled 94,740 square meters (37 factories), a 24% increase from 2010's 76,160 square meters (26 factories).

Logistic Warehouses

The market for logistics warehouse had been good throughout the year, despite the interruption from the year-end flood. Demand from the retail and consumer goods sectors remained strong, in line with healthy consumer spending, whilst demand from corporate and logistic service providers in the industrial sector had expanded with production.

In 2011, subsidiary TICON Logistics Park Co Ltd – TPARK had a net leasing of 137,763 square meters of logistics warehouses, before sales to TLOGIS, which represented an increase of 74% over the net leasing of 79,000 square meters done in 2010. Major new lettings in 2011 included a total of 25,000 square meters to VIA Logistics at TPARK Laemchabang and TPARK Amata Nakorn, 24,000 square meters to DKSH at TPARK Wangnoi, and an additional 11,000 square meters to Leschaco at TPARK Bangna.

TPARK's logistics properties in Ayudhya did not escape the perils of the flood. Both TPARK Wangnoi (53,300 square meters) and the smaller TPARK Rojana (18,324 square meters) suffered from flooding, although the raised floors and nature of the tenants' installations mitigated the damage. However, most of the tenants in both locations have resumed their operations since January 2012.

Investment Activity

As part of our on-going process of replenishing shareholders' capital by selling properties to the two funds, TICON Property Fund (TFUND) and TPARK Logistics Property Fund (TLOGIS), we planned to sell tranches of properties to both funds in 2011. The first one was successfully completed in September, with the sale of 13 warehouses with a total floor area of 55,230 square meters to TLOGIS for 943.5 million Baht.

However, the proposed sale of 25 factories to TFUND in December was postponed, as a number of the properties were affected by the October floods, and the uncertainty caused by the flood was detrimental to the fund's capital-raising required to acquire the assets. The sale of these properties, other than the affected properties, is rescheduled to take place in March 2012, albeit the size may be reduced to 760 million Baht.

In addition to this March 2012 sale, we are working toward having two further sales during 2012 – one to each fund – with an estimated total value for 2012 additional sales of about 3.5 billion Baht. This will be a TICON record for investment sales, and will be the first time we have sold more than one tranche per year.

Whilst the delay of the proposed sale to TFUND in 2011 was regrettable – and resulted in lower earnings for the year – we should be able to benefit from increased sales in 2012, and gains on the sales will be taxed at the new tax rate of 23%, rather than the 30% rate which would have applied in 2011.

Overall Performance

Profit after tax for 2011 was 436.39 million Baht, a fall of 384.71 million Baht (46.85%) from the 821.10 million Baht in 2010. Total revenues fell from 2,933.45 million Baht to 2,131.39 million Baht, primarily as a result of a reduction in sales of properties to the property funds from 1,737.75 million Baht to 943.50 million Baht. This followed the postponement of the sale of a tranche of approximately 1,500 million Baht of properties to TFUND in December.

The two effects of the floods on TICON's earnings performance were the postponement of this second-tranche sale, and the loss of 100.7 million Baht in rental and service income in the fourth Quarter. (Note: despite the loss of rental revenue in the fourth Quarter, total rental and service income for 2011 grew marginally to 880.22 million Baht from 850.87 million Baht in 2010).

The loss of rental and service income will continue to have a significant effect on revenues in the first Quarter of 2012, less so in the second Quarter, diminishing as customers resume production and vacant factories are leased out. With proposed sales to the funds during the year of around 4,200 million Baht, total revenues are likely to rise to an unprecedented level in 2012.

Outlook

In the 22 years of TICON's existence, there have always been uncertainties and risks, both domestically and globally in this increasingly connected world, and today is no exception. However, without uncertainties, our business opportunities would be fewer, as manufacturers and distributors could plan with certainty for the longer term, which would encourage them to own rather than lease.

The markets for both factories and warehouses are currently strong, and are likely to remain so for the foreseeable future. There is currently uncertainty as to the continued popularity of the flood-affected areas and the estates' ability to attract new manufacturing investment. We see this as a short-term reaction, and anticipate that the area will regain its popularity as a result of its locational advantages and established industrial cluster. However, this ability to regain popularity will depend on convincing actions by the government to improve water management and provide enhanced flood protection infrastructure, and by the industrial estate developers to implement flood barrier walls and safety features. Thankfully, all of our affected estate developers are responding positively with these measures.

Throughout 2011 we have acquired additional land of more than 1,500 rai, mainly for logistics warehouse development, and mainly on the Eastern Seaboard, to best position ourselves to respond to growing demand around Laemchabang Port. We have always responded to customer demand in terms of product types and location we choose to develop, and we will continue to do so to sustainably grow our businesses.



(Mr. Chali Sophonpanich)
Chairman of the Board

REPORT OF THE AUDIT COMMITTEE
ON CORPORATE GOVERNANCE
FOR THE YEAR 2011



To: The shareholders of TICON Industrial Connection Public Company Limited

TICON's Audit Committee comprises three outside directors, who are independent and have qualifications as required by the SET's regulations. The members of the Audit Committee are Mr. David Desmond Tarrant – the Chairman, Mr. Chatchaval Jiaravanon, and Mr. Threekwan Bunnag.

In the year 2011, almost half of the Company's factories and warehouses and its employees' residences were affected by the serious flood crisis in Thailand. The Audit Committee has learned the problems and its effects. It then specially performed its duties by expressing opinions and giving recommendations to management to reduce the impacts of the floods.

The Audit Committee has continued to monitor the Company corporate governance, including internal control, risk management, transparency of the management team and benefit protection for all stakeholders by equalization. During the year 2011, the Committee held four meetings. Mr. David Desmond Tarrant attended three meetings, Mr. Chatchaval Jiaravanon and Mr. Threekwan Bunnag attended four meetings. The Company's Executives, the internal auditor and the external auditor also joined every meeting except for some agenda items which were discussed among the Committee's members, the internal auditor and the external auditor. The discussions in the Meetings included the following issues:-

1. **Reviewing the financial statements.** The Audit Committee has reviewed the Company's quarterly and annual financial statements of 2011 to ensure the correctness of the financial report and the adequacy of information disclosure by questioned and listened explanations from the management and the external auditors. The Audit Committee agreed with the external auditors that the financial statements were presented in a complete, true and fair manner adhering to the general accepted accounting principles.
2. **Reviewing the operation information and the internal control system.** The Committee has evaluated the sufficiency, appropriateness and effectiveness of the internal control system, covering the important workflows of the Company. The Committee found no weakness or significant deficiency of such system. The Company's assets have been appropriately safeguarded. The external auditors and the Audit Committee were of the opinions that the Company has had the sufficient internal control system and the appropriate and efficient monitoring system.
3. **Reviewing the compliance with the Securities and Exchange Acts, Regulations of the Stock Exchange of Thailand, and any other relevant laws.** The Audit Committee found no significant incompliance to such laws and regulations.
4. **Reviewing the connected transactions or the transactions that may have conflict of interests to comply with Regulation of the Stock Exchange of Thailand, and the Office of the Securities and Exchange Commission.** The external auditors and the Audit Committee agreed that the significant details of the connected transactions were disclosed in the Financial Statements and its Notes. The Committee also had the opinion that such connected transactions were reasonable and provided the most benefit to the Company.
5. **Recruiting the External Auditors as well as determining their remuneration to propose to the Board of Directors and Annual General Meeting of Shareholders for approval.** The Audit Committee has considered the auditor's performance and the independency in performing their duties as well as the appropriateness of their remuneration. The Committee was of the opinion that during last year the Company's external auditor has performed her duties with knowledge, professional competency, and has given recommendation in relation to the internal control system and the various risks, as well as had independency in performing her duties.

For the year 2011, the Audit Committee has appointed Ms. Rungnapa Lertsuwankul, Certified Public Accountant Registration number 3516 (who has served as the Company's external auditor for the third year) and/or Mr. Sophon Permsirivallop, Certified Public Accountant Registration number 3182 and/or Ms. Sumalee Reewarabandith, Certified Public Accountant number 3970 of Ernst & Young Office Limited, to serve as the Company's external auditor, with the remuneration of 770,000 Baht.

6. **Reviewing the internal audit.** The Committee has reviewed the mission, scope of work, duties and responsibilities, independency, manpower and remuneration of the Internal Audit Department as well as approved the audit plan for the year 2011. The Committee has followed up management actions in response to the internal audit's findings and recommendations. The Internal Audit Department has been reviewing procedures of the Company's operations and critical systems covering every aspect of the Company's operations, ranging from finance, accounting and assets, to be in compliance with relevant rules and regulations. The Department gives advice on the internal control system and risk management to improve procedures of the Company's operations, corresponding to current situations. The findings and recommendations will be reported directly to the Audit Committee every quarter. In year 2011, it has focused on reviewing the information technology system, Account Receivable system and Fixed Assets system. The Audit Committee had the opinion that the Company's internal audit system is sufficient, appropriate and effective, and the Internal Audit Department is independent in performing its duties.

In summary, the Audit Committee had fulfilled the responsibility in accordance with the Audit Committee Charter approved by the Board of Directors. The Committee found that the Company has carried out good corporate governance, complied with related laws, implemented sufficient internal control procedures as well as transparency of the management, adapted efficient risk management system and prepared financial reports in accordance with the generally accepted accounting principles with adequate disclosure.

On behalf of the Audit Committee

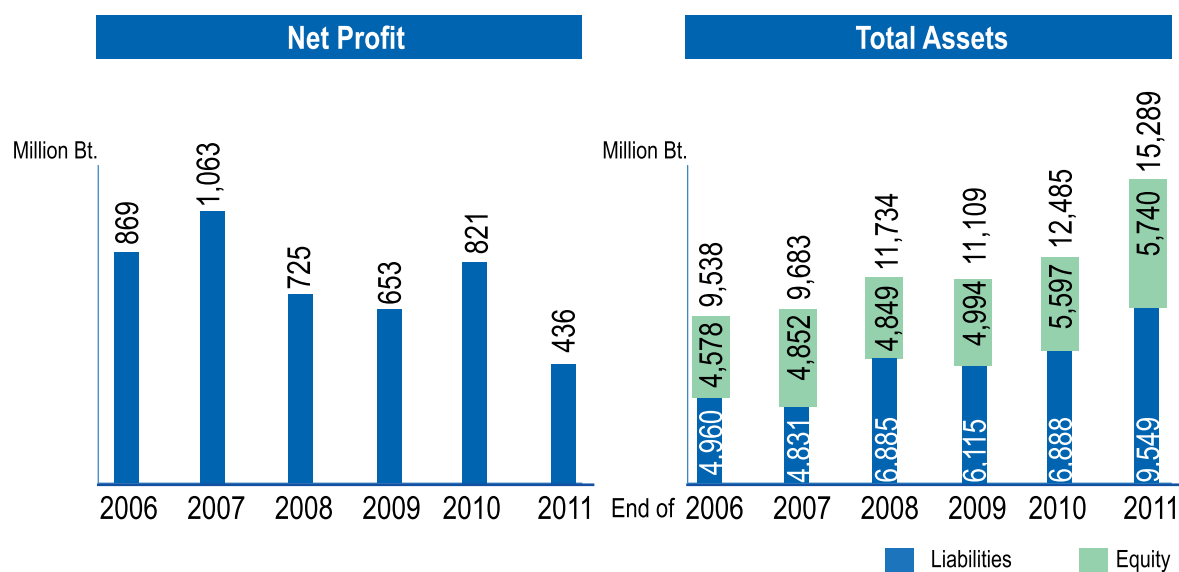


(Mr. David Desmond Tarrant, F.C.A.)
Chairman of the Audit Committee

FINANCIAL HIGHLIGHTS

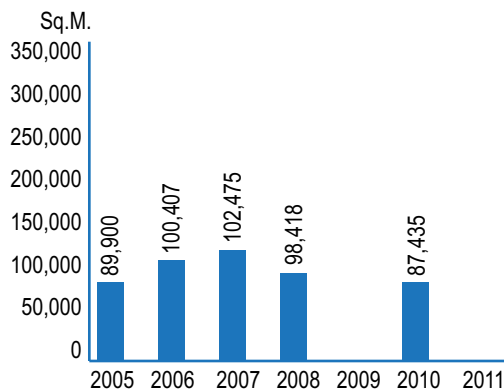
Unit : Million Baht

	2011	2010	2009
Sales of properties to TFUND/TLOGIS	943.50	1,737.75	1,530.00
Rental and service income	880.23	850.87	809.23
Sales of properties to tenants	132.97	157.18	-
Properties Management fee from TFUND/TLOGIS	113.44	107.49	77.73
Share of profit from investment in TFUND/TLOGIS	160.80	168.59	158.67
Realized additional gain on sales of properties to TFUND/TLOGIS	3.52	38.90	-
Cost of sales of properties to TFUND/TLOGIS	636.99	959.25	1,052.33
Cost of rental and service	248.12	194.49	198.52
Cost of sales of properties to tenants	63.60	95.67	-
Selling and administrative expenses	326.04	294.68	266.46
Net profit	436.39	821.10	653.28
Assets	15,288.73	12,484.63	11,109.07
Liabilities	9,548.54	6,887.64	6,115.49
Shareholders' equity	5,740.19	5,596.99	4,993.57
Return on equity (%)	7.70	15.51	13.27
Return on fixed assets (%)	7.11	12.07	10.15
Dividend pay-out (%)	71.59	93.55	82.28

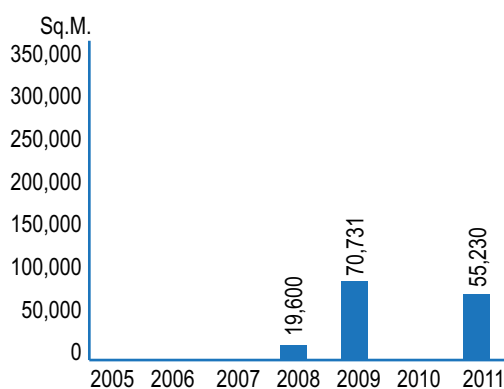


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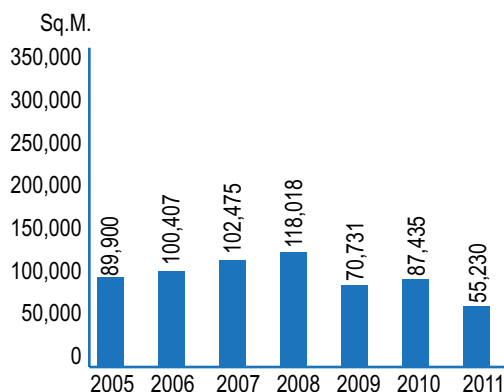
Sales to TFUND



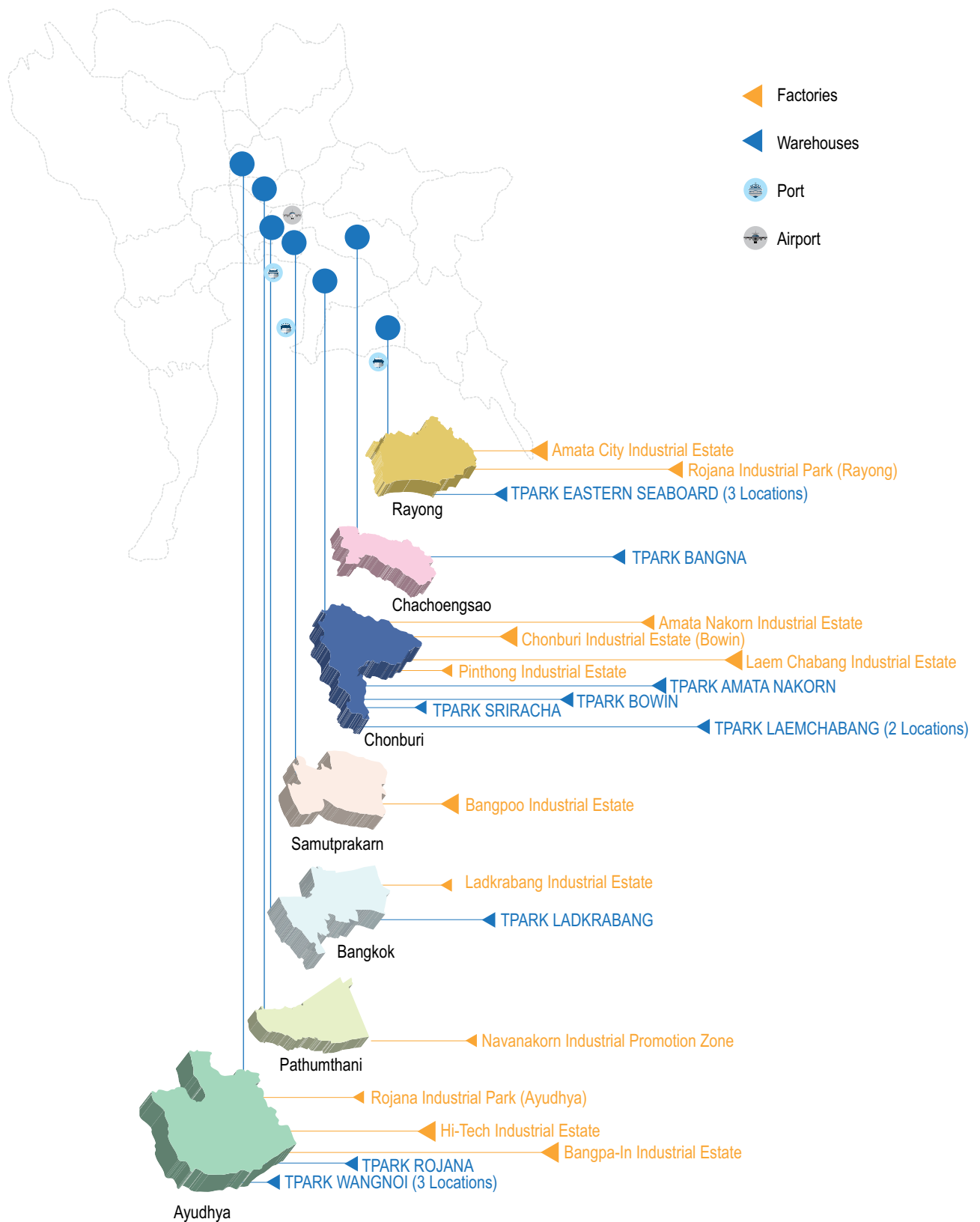
Sales to TFUND/TLOGIS



Sales to TFUND/TLOGIS



FACTORY/WAREHOUSE LOCATIONS



SOCIAL RESPONSIBILITIES



Donating to help flood victims through The Stock Exchange of Thailand



Preparing relief bags to help flood victims



Constructing a school building for Yensira Baan Man Khao school, Loei province



BOARD OF DIRECTORS AND MANAGEMENT

► DIRECTORS



Mr. Chali Sophonpanich

Chairman of the Board

Age: 51 years

Education:

Master of Business Administration,
The University of Chicago

Director Certification Program,
Thai Institute of Directors Association

Shareholding:

2.53 percent (as at March 15, 2012)

Relationship among Director/Management:

- None -

Related experience:

2010 – Present
Director, Shanghai TICON Investment
Management Co., Ltd.
(Fund management)

1997 – Present
President, Asia Industrial Estate
Co., Ltd. (Property)

1987 – Present
President, City Realty Co., Ltd. (Property)

Mr. Direk Vinichbutr

Director

Age: 69 years

Education:

Diploma : International Business,
London School of Foreign, London

Director Accreditation Program,
Thai Institute of Directors Association

Shareholding:

0.15 percent (as at March 15, 2012)

Relationship among Directors/Management:

Mr. Jirapongs Vinichbutr's brother

Related experience:

2003 – Present
Director, Eco Industrial Services Co., Ltd.
(Factories for rent)

1989 – Present
CEO, Rojana Industrial Park
Public Co., Ltd. (Property)

Mr. Jirapongs Vinichbutr

Director

Age: 61 years

Education:

Master of Business Administration,
George Washington University

Director Accreditation Program,
Thai Institute of Directors Association

Shareholding:

- None - (as at March 15, 2012)

Relationship among Directors/Management:

Mr. Direk Vinichbutr's brother

Related experience:

2010 – Present
Director, Shanghai TICON
Investment Management Co., Ltd.
(Fund Management)

2005 – Present
Chairman of the Board,
TICON Logistics Park Co., Ltd.
(Warehouses for rent)

1996 – Present
Managing Director, Rojana Power
Co., Ltd. (Power plant)

1993 – Present
Managing Director, Rojana Industrial
Park Public Co., Ltd. (Property)



Mr. Wei Cheng Kuan

Director and President

Age: 54 years

Education:

Master of Business Administration,
The University of Chicago

Shareholding:

4.22 percent (as at March 15, 2012)

Relationship among Directors/Management:

- None -

Related experience:

2010 – Present

Director, Shanghai TICON
Investment Management Co., Ltd.
(Fund management)

2005 – Present

Director, TICON Logistics Park
Co., Ltd. (Warehouses for rent)

2001 – 2011

Managing Director,
Eco Industrial Services Co., Ltd.
(Factories for rent)

Mr. Virapan Pulges

Director and Managing Director

Age: 51 years

Education:

Master of Engineering, University of Colorado

Director Certification Program (Fellow
member), Thai Institute of Directors Association

DCP Refresher Course, Thai Institute
of Directors Association

Audit Committee Program (ACP),
Thai Institute of Directors Association

Certification for Executive Program,
CMA11 Capital Market Academy

Shareholding:

0.88 percent (as at March 15, 2012)

Relationship among Directors/Management:

- None -

Related experience:

2010 – Present

Director, Shanghai TICON Investment
Management Co., Ltd. (Fund management)

2005 – Present

Director, TICON Logistics Park Co., Ltd.
(Warehouses for rent)

2001 – Present

Director, Eco Industrial Services Co., Ltd.
(Factories for rent)

Mr. David Desmond Tarrant

**Director and Chairman
of the Audit Committee**

Age: 69 years

Education:

Fellow of the Institute of Chartered
Accountants in England & Wales

Director Accreditation Program,
Thai Institute of Directors Association

Shareholding:

0.06 percent (as at March 15, 2012)

Relationship among Directors/Management:

- None -

Related experience:

2008 – Present

Director, Chairman of Audit and
Compensation Committees,
Golden Land Property Development
Public Co., Ltd. (Property)

1995 – Present

Director, Sakura Ventures Pte. Ltd.
(Property, Offices and Hotels)



Mr. Chatchaval Jiaravanon

Director and Audit Committee's member

Age: 50 years

Education:

Bachelor of Business Administration,
University of Southern California

Director Accreditation Program,
Thai Institute of Directors Association

Certification for Executive Program, CMA9,
Capital Market Academy

Shareholding:

- None - (as at March 15, 2012)

Relationship among Director/Management:

- None -

Related experience:

2004 – Present
Director and Chairman of the Board,
Metrostar Property Public Co., Ltd. (Property)

Mr. Threekwan Bunnag

Director and Audit Committee's member

Age: 55 years

Education:

Master of Business Administration,
University of North Texas

Director Certification Program,
Thai Institute of Directors Association

Director Accreditation Program,
Thai Institute of Directors Association

Shareholding:

0.22 percent (as at March 15, 2012)

Relationship among Director/Management:

- None -

Related experience:

2009 – Present
Independent Director,
Audit Committee and Remuneration Committee,
Golden Land Property
Development Public Co., Ltd. (Property)

2008 – Present
Director, TICON Logistics Park Co., Ltd. (Warehouses for rent)

BOARD OF DIRECTORS AND MANAGEMENT

► MANAGEMENT

Mr. Somsak Chaiyaporn

General Manager

Age	60
Education	Docteur Ingenieur (Mecanique), Ecole Centrale de Lyon
Shareholding	0.01 percent (as at March 15, 2012)
Relationship among Directors/Management	- None -
Related experience	2001 – Present General Manager, Eco Industrial Services Co., Ltd. (Factories for rent)

Mr. Pornthep Pisalangkul

Assistant General Manager

Age	55
Education	Bachelor of Architect, Chulalongkorn University
Shareholding	0.06 percent (as at March 15, 2012)
Relationship among Directors/Management	- None -
Related experience	- None -

Mr. Peerapat Srisukont

Head of Project Development

Age	43
Education	Master of Science in Civil Engineering, Texas A&M University, Kingsville Master of Business Administration, Mahidol University International College
Shareholding	- None - (as at March 15, 2012)
Relationship among Directors/Management	- None -
Related experience	- None -

Mr. Somsak Ratanavirakul**Head of Marketing**

Age	52
Education	Master of Business Administration, Chulalongkorn University
Shareholding	0.001 percent (as at March 15, 2012)
Relationship among Directors/Management	- None -
Related experience	1996 – 2004 Project Planning Manager, Thai Factory Development Public Co., Ltd. (Property)

Miss Siriporn Sombatwatthana**Head of Administration**

Age	49
Education	Bachelor of Business Administration, Assumption University
Shareholding	1.85 percent (as at March 15, 2012)
Relationship among Directors/Management	- None -
Related experience	- None -

Miss Lalitphant Phiriyaphant**Head of Finance and Company Secretary**

Age	46
Education	Master of Economics, Thammasat University
Shareholding	0.01 percent (as at March 15, 2012)
Relationship among Director/Management	- None -
Related experience	- None -

Mr. Komkrit Laowakoon**Head of Accounts and IT**

Age	38
Education	Master of Science (Computer Information System), Assumption University CFO Certification Program, Federation of Accounting Professions
Shareholding	- None - (as at March 15, 2012)
Relationship among Directors/Management	- None -
Related experience	- None -

GENERAL INFORMATION

THE COMPANY

Name	TICON Industrial Connection Public Company Limited
Type of business	Developing standard factories for rent
Registered number	0107544000051 (Bor Mor Jor 666)
Head office address	Suite 1308, 13/1 th Floor, Sathorn City Tower, 175 South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120 Tel: (662) 679-6565 Fax: (662) 287-3153
Website	www.ticon.co.th
E-mail address	ticon@ticon.co.th
Registered capital	Baht 1,117,252,920 (as at February 28, 2012)
Paid-up capital	Baht 781,005,203 (as at February 28, 2012)
Par value	Baht 1 per share

SUBSIDIARIES

Eco Industrial Services Company Limited

Type of business	Developing standard factories for rent in Leamchabang Industrial Estate, with BOI Privileges
Shareholder	TICON Industrial Connection Public Co., Ltd. holds 100 percent.
Head office address	49/32 Moo 5, Laemchabang Industrial Estate, Tungsukhla, Sriracha, Chonburi 20230 Tel: (662) 679-6565 Fax: (662) 287-3153
Registered capital	Baht 50,000,000 (as at February 28, 2012)
Paid-up capital	Baht 50,000,000 (as at February 28, 2012)
Par value	Baht 10 per share

TICON Logistics Park Company Limited

Type of business	Developing warehouses for rent
Shareholder	TICON Industrial Connection Public Co., Ltd. holds 100 percent.
Head office address	Suite 1308, 13/1 th Floor, Sathorn City Tower, 175 South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120 Tel: (662) 679-6565 Fax: (662) 287-3153
Website	http://www.ticonlogistics.com
E-mail address	logistics@ticon.co.th
Registered capital	Baht 2,500,000,000 (as at February 28, 2012)
Paid-up capital	Baht 2,500,000,000 (as at February 28, 2012)
Par value	Baht 10 per share

Shanghai TICON Investment Management Company Limited

Type of business	Fund management
Shareholder	TICON Industrial Connection Public Co., Ltd. holds 100 percent.
Head office address	Rm. A512, Building 4, No.3288, Jinhai Road, Pudong New Area, Shanghai, China
Registered capital	USD 2,000,000 (as at February 28, 2012)
Paid-up capital	USD 800,000 (as at February 28, 2012)

OTHER REFERENCE PERSONS

Share registrar	Thailand Securities Depository Co.,Ltd. Capital Market Academy Building 2/7 Moo 4, (North Park Project) Vibhavadi-Rangsit Road Tung Song Hong, Laksi, Bangkok 10210 Tel: (662) 596-9000 Fax: (662) 832-4994-6
Auditor	Miss Rungnapa Lertsuwankul, CPA (Thailand),Registration No. 3516 Ernst & Young office Ltd. 33 rd Floor, Lake Ratchada Tower 193/136-137 Ratchadapisek Road, Bangkok 10110 Tel : (662) 264-0777 Fax : (662) 264-0789

NATURE OF BUSINESS

1. SIGNIFICANT DEVELOPMENTS

Demand for factories and warehouses has been increasing substantially since 2010 and throughout 2011, due to high manufacturing investment, especially in the auto sector. The Company's occupancy rate has grown continuously to over 90 percent at the end of 2011. Demand for the Company's warehouses in 2011 has almost doubled, as compared to the year before, resulting in a 100 percent occupancy rate at some points of time. In response to the higher investment expansion in Thailand, as well as the strong demand in leasing factories/warehouses, TICON has acquired a number of plots of land in several strategic locations, particularly in the eastern part of Thailand, where the Company's factories/warehouses were almost fully leased out at the end of last year.

In the fourth quarter of last year, TICON's factories and warehouses located in Ayudhya and Pathumthani provinces were affected by the flood disaster. TICON's tenants in such areas could not operate their business, which resulted in the Company's loss of rental income in Q4/2011 and Q1/2012. The Company expects that most of factories to be restored will be back in production and income-producing within Q1/2012. However, thanks to the additional land acquisitions as mentioned, TICON has benefited from strong investment demands flowing to the eastern Thailand.

TICON is likely to be affected by the reduction in dividend and management fee from TFUND, due to flood-affected properties in TFUND's portfolio.

2. BUSINESS OVERVIEW

The Company is in the business of providing standard factories and logistics warehouses for rent in industrial estates, industrial park and the other potential locations in Thailand. The factories are located on the following locations.

Location	Province	Investment Promotion Zone
Bangpa-In Industrial Estate	Ayudhya	BOI Zone 2
Hi-Tech Industrial Estate	Ayudhya	BOI Zone 2
Rojana Industrial Park-Ayudhya	Ayudhya	BOI Zone 2
Amata Nakorn Industrial Estate	Chonburi	BOI Zone 2
Laemchabang Industrial Estate	Chonburi	BOI Zone 3*
Chonburi Industrial Estate (Bowin)	Chonburi	BOI Zone 2
Pinthong Industrial Estate	Chonburi	BOI Zone 2
Amata City Industrial Estate	Rayong	BOI Zone 3*
Bangpoo Industrial Estate	Samutprakarn	BOI Zone 1
Navanakorn Industrial Promotion Zone	Pathumthani	BOI Zone 1
Ladkrabang Industrial Estate	Bangkok	BOI Zone 1
Rojana Industrial Park-Rayong	Rayong	BOI Zone 3*

* Conveys Zone 3 benefits to companies established on these estates which have applied for benefits from BOI prior to December 31, 2014, otherwise Zone 2 benefits are to be applied.

The warehouses are located on the following locations.

Location	Province	Investment Promotion Zone
TICON Logistics Park-Bangna	Chachoengsao	BOI Zone 1
Laemchabang Logistics Center (2 Locations)	Chonburi	BOI Zone 2
TICON Logistics Park-Wangnoi (3 Locations)	Ayudhya	BOI Zone 2
Rojana Industrial Park-Ayudhya	Ayudhya	BOI Zone 2
Amata Nakorn Industrial Estate	Chonburi	BOI Zone 2
TICON Logistics Park-Ladkrabang	Bangkok	BOI Zone 1
Eastern Seaboard Logistics Center (2 Locations)	Rayong	BOI Zone 3*
TICON Logistics Park-Sriracha	Chonburi	BOI Zone 2
Chonburi Industrial Estate (Bowin)	Chonburi	BOI Zone 2

* Conveys Zone 3 benefits to companies established on these estates which have applied for benefits from BOI prior to December 31, 2014, otherwise Zone 2 benefits are to be applied.

TICON has two subsidiaries named Eco Industrial Services Co., Ltd. ("EISCO"), TICON Logistics Park Co., Ltd. ("TPARK") and Shanghai TICON Investment Management Company Limited. TICON and EISCO are providers of standard factories while TPARK provides logistics warehouses. Shanghai TICON Investment Management Co., Ltd. was established for exploring new business in China. Details of the **Subsidiaries** are as follows.

1. Eco Industrial Services Co., Ltd. (“EISCO”)

TICON holds a 100 percent stake in EISCO. The objective of establishing EISCO was to benefit from the Board of Investment’s Privileges in relation to developing a phase of standard factory buildings on Laemchabang Industrial Estate, in a similar manner to TICON itself. EISCO commenced its operation in April 2001 and was granted BOI Privileges in August 2001.

As of February 28, 2012, EISCO had registered and paid-up capital of Baht 50 million. In 2003, EISCO was granted ISO 9001:2000 certification.

2. TICON Logistics Park Co., Ltd. (“TPARK”)

TICON has a 100 percent stake in TPARK. TPARK was established in August 2005 for the purpose of developing logistics warehouses for rent. TPARK was granted BOI Privileges in relation to development of TPARK-Bangna, TPARK-Wangnoi and the development of a warehouse in Rojana Industrial Park-Ayudhya and Amata Nakorn Industrial Estate.

As of February 28, 2012, TPARK had registered and paid-up capital of Baht 2,500 million. In 2009, TPARK was granted ISO 9001:2008 certification.

3. Shanghai TICON Investment Management Company Limited (“SH-TICON”)

TICON has a 100 percent stake in SH-TICON. It was registered in China in July 2010 for exploring business in China. Currently is in progress of business feasibilities studying.

As of February 28, 2012, SH-TICON had registered capital of 2 million USD, and paid-up capital of 0.8 million USD.

TICON has also invested in two **Associated Companies**, TICON Property Fund and TPARK Logistics Property Fund, details of which are as follows.

TICON Property Fund (“TFUND”)

TFUND, a listed mutual fund on the Stock Exchange of Thailand, was established in April 2005 for the purpose of investment in industrial properties owned by TICON and/or other developers. BBL Asset Management Company Limited was appointed as the fund manager.

Presently, TFUND has capital from the unit holders of Baht 9,487 million. TFUND raised capital for the first time in 2005, following with another four rounds of capital raising in 2006-2008 and 2010. The proceeds were used to acquire 201 factories (usable area totaling 463,760 square metres)

and 8 warehouses (usable area totaling 19,600 square metres) from TICON and TPARK, respectively. TICON and TPARK are not subject to any obligation to buy back these properties.

TICON and TPARK were selected as the property managers for all of the factories and warehouses sold to TFUND. TICON and TPARK are entitled to property management fees from TFUND.

TFUND has a policy to pay dividends of not less than 90 percent of net profit, which is not subject to corporate income tax. The payment will be made at least twice a year. As at December 31, 2011, the NAV of TFUND was Baht 10.6310 per unit.

At the end of December 2011, TICON held 28.02 percent of TFUND's total issued units.

TPARK Logistics Property Fund ("TLOGIS")

TLOGIS, a listed mutual fund on the Stock Exchange of Thailand, was established in November 2009 for the purpose of investment in industrial properties owned by TICON/TPARK and/or other developers. As well as TFUND, BBL Asset Management Company Limited was appointed as the fund manager.

Presently, TLOGIS has capital from the unit holders of Baht 2,468 million. TLOGIS raised capital for the first time in 2009. It did another capital raising in 2011. Most of its capital was used to acquire 28 warehouses (usable area totaling 125,961 square metres) from TPARK. The fund's income of Baht per year 187.5 million has been guaranteed by TICON until December 31, 2016. TPARK are not subject to any obligation to buy back these properties.

TICON was selected as the property manager for TLOGIS's properties mentioned above. A profit sharing has been paid to TICON as a property management fees.

TLOGIS has a policy to pay dividends of not less than 90 percent of net profit of TLOGIS, which is not subject to corporate income tax. The payment will be made at least twice a year. As at December 31, 2011, the NAV of TLOGIS was Baht 10.8012 per unit.

At the end of December 2011, TICON held a 20.43 percent of TLOGIS's total issued units.

The sales of properties to TFUND and TLOGIS provide another source of fund for the Company's business expansion, in addition to funds from operating activities and various credit facilities. Decisions as to whether to sell properties to TFUND or TLOGIS will be made by considering relevant factors periodically, in order to maximize shareholder value. The Company plans to raise funds through TFUND and TLOGIS continuously. This will help provide TICON with another alternative in management of its capital structure.

TICON has invested in a **Related Company**, Bangkok Club Co., Ltd., amounting to Baht 256,500 in which TICON holds only 0.11 percent stake, for the purpose of using its facilities.

3. PRODUCTS AND SERVICES

3.1 Products

a. Standard factories

TICON was established to provide international standard factories for international companies who do not particularly want to develop their own factories, nor even to own them, in order to reduce their operating cost and risks related to any possible uncertainties. TICON chooses good locations and develops factories of a standard design to suit most manufacturing processes. As more than 90 percent of the Company's tenants are international manufacturers, TICON provides customers with other services in regard to commencing their production in Thailand.

The locations in which TICON develops factories are determined by customer demand, now and in the foreseeable future. Accessibility to ports, airports and Bangkok are very relevant in this respect, as are the BOI investment zones, as well as a good standard of estate infrastructure.

The Company has developed factories in Export Processing Zone's ("EPZ") and General Industrial Zone's ("GIZ"), following customers' demand, which will be different in each location. Demand on Laemchabang Industrial Estate, for example, being adjacent to Thailand's major deep sea port, tends to be for factories in the EPZ.

The factories developed by TICON and EISCO are all single-storey with mezzanine offices, constructed on their own fenced and landscaped sites, complete with guard house, parking area and loading area. They are of a standard design, albeit modified to suit the customers' requirements. Factory sizes range from 1,000 to 6,000 square metres, with an average size range from 2,000 to 3,000 square metres. The factories' floor loading capacities are in the range of 1 to 3 tons per square metre. The buildings are of steel portal frame construction, to give maximum usable area unobstructed by structural columns.

In addition to the standard factories, custom-developed factories are developed according to tenants' individual requirement, and will generally tend to be larger than standard factories.

Lease agreements normally have a term of 3 years. TICON offers options to renew the lease. Moreover, the Company also offers options to exchange the unit for one of a different size or location, and even options to buy the factory.

Tenants are required to pay a cash deposit equivalent to 3-6 months rent.

At the end of 2009, 2010 and 2011, TICON's factory portfolio are as follows:

	End of 2009		End of 2010		End of 2011	
	No. of factory (Unit)	Building area (Sq M.)	No. of factory (Unit)	Building area (Sq M.)	No. of factory (Unit)	Building area (Sq M.)
Leased	115	324,550	101	296,825	137	387,515
Pre-leased	9	17,650	8	23,850	6	15,900
Available	41	104,425	28	71,015	10	31,800
Under construction	10	27,700	11	25,000	15	38,245
Under site preparation	61	141,875	68	164,950	56	144,239
Total	236	616,200	216	581,640	224	617,699

The portfolio details contained in the previous table are those after sales to TFUND. Over the past three years the Company had sold factory to TFUND as follows:

	2009		2010		2011	
	No. of factory (Unit)	Building area (Sq M.)	No. of factory (Unit)	Building area (Sq M.)	No. of factory (Unit)	Building area (Sq M.)
Sold to Property Fund	-	-	36	87,435	-	-

The average occupancy rate has increased continuously over the past 2 years, to the normal level at above 80 percent, as shown in the table below, due to the increase in investment in Thailand.

	2009	2010	2011
Average occupancy rate (%)	73	81	88

At the end of 2011, TICON's customers are in a variety of industries and are also varied by nationality, as indicated in the table below:

Industry	%	Country	%
1. Electronics and electrical	42.3	1. Japan	61.1
2. Auto parts	26.5	2. Europe	15.0
3. Foods	5.6	3. Singapore	8.6
4. Agricultural machinery	4.7	4. Canada	5.8
5. Plastic	2.7	5. Thailand	5.0
6. Others (e.g. Metal, Fashion, etc.)	18.2	6. Others (e.g. United State, Korea, etc.)	4.5
Total	100.0	Total	100.0

Note : The percentages were calculated based on rental and services income received in December 2011.

b. Warehouses

Development warehouses with international standards is undertaken by TICON Logistics Park Co., Ltd., (TPARK), one of the Company's subsidiaries.

Logistics is the essential activity for the distribution of materials, parts, finished goods and other produce. Distributors, whether they be the principal operators themselves or logistic service providers, will normally be capital-lean in their logistics operation, and will therefore prefer to lease warehouse facilities. This has created good demand for modern logistics parks and warehouses which the Company seeks to supply through TPARK.

The Company's warehouses are located in strategic locations, suitable for being a distribution center. The warehouses are designed to suit modern logistics management systems. Typical specifications are good clear heights, wide column spans, dock levelers, and high floor loading capacities.

As with factories, we offer warehouses on a built-to-suit basis, as well as providing speculatively-developed standard buildings. We also offer a sale and leaseback option.

Lease agreements normally have a term of 3 years. The Company offers options to renew the lease. Tenants are required to pay a cash deposit equivalent to 3-6 months rent.

At the end of 2009, 2010 and 2011, TPARK's warehouse portfolio are as follows:

	End of 2009		End of 2010		End of 2011	
	No. of warehouse (Unit)	Building area (Sq M.)	No. of warehouse (Unit)	Building area (Sq M.)	No. of warehouse (Unit)	Building area (Sq M.)
Leased	15	61,580	27	103,370	52	205,352
Pre-leased	2	15,180	6	52,330	4	33,481
Available	12	50,540	13	64,904	1	8,450
Under construction	17	50,118	11	27,550	49	157,186
Under site preparation	32	137,058	35	127,718	96	769,976
Total	78	314,476	92	375,872	202	1,174,445

The portfolio details contained in the previous table are those after sales to TFUND/TLOGIS. However, over the past three years the Company had sold factory to TFUND/TLOGIS as follows:

	2009		2010		2011	
	No. of warehouse (Unit)	Building area (Sq M.)	No. of warehouse (Unit)	Building area (Sq M.)	No. of warehouse (Unit)	Building area (Sq M.)
Sold to Property Fund	15	70,731	-	-	13	55,230

At the end of 2011, the Company's net leased warehouses increased almost two times, as compare to the previous year due to the increase in investment in Thailand and the Company's location diversification, to serve several demands. The average occupancy rate in 2011, therefore, obviously higher than the previous year's.

	2009	2010	2011
Average occupancy rate (%)	76	72	88

At the end of 2011, TPARK's customers are in a variety of industries and are also varied by nationality, as indicated in the table below:

Industry	%	Country	%
1. Auto parts	38.5	1. Japan	39.1
2. Electronics and electrical	18.9	2. Germany	20.9
3. General Logistics	10.6	3. Netherlands	9.0
4. Wholesaler/Retailers	9.0	4. France	8.6
5. Consumer product	8.6	5. Thailand	8.5
6. Food	7.9	6. China	3.6
7. Others	6.5	7. Others (e.g. United State, Korea, etc.)	10.3
Total	100.0	Total	100.0

Note : The percentages were calculated based on rental and services income received in December 2011.

3.2 Services

Services provided by the Company include:

☒ **Modifications**

With an in-house design, project management and construction capability, the Company is well positioned to assist customers in designing and carrying out modifications to the standard specification of the building to suit their particular needs.

☒ **Utilities Connections**

The Company assists industrial customers in securing utility services at the customers' required capacity.

☒ **Assistance with Consents and Permits**

The Company assists industrial customers obtaining the various statutory consents necessary to commence manufacturing operations swiftly such as operation permit. Moreover, should the customers need Work Permits for any of their expatriate staffs, the

- Others Services

In addition to the above, the Company will seek to assist the customers in any particular needs where it is able to provide assistance, such as suggesting suppliers of goods and services, and assistance in recruiting key personnel.

4. REVENUE STRUCTURE

Presently, income from sales of properties to associated companies has become the biggest portion of total revenues due to substantial sales of factories/warehouses to TFUND/TLOGIS each year. However, since the Company's main business is to provide factories/warehouses for rent, the rental and service income still play an important role.

Both incomes combined contributed approximately 80-90 percent of the Company's total revenues. The Company also has other sources of income which are of portions varying each year. Please see the analysis of change in revenue structure in "Management discussion and analysis".

Revenue structure	2009		2010		2011	
	Baht mil.	%	Baht mil.	%	Baht mil.	%
Sales of properties to TFUND/TLOGIS	1,530.00	58.44	1,737.75	55.33	943.50	41.10
Rental and service income	809.23	30.91	850.87	27.09	880.23	38.34
Sales of properties to tenants	-	-	157.18	5.00	132.97	5.79
Properties management fee from TFUND/TLOGIS	77.73	2.97	107.49	3.42	113.44	4.94
Share of profit from investment in TFUND/TLOGIS	158.67	6.06	168.59	5.37	160.80	7.01
Realised additional gain on sales of properties to TFUND/TLOGIS	-	-	38.90	1.24	3.52	0.15
Other income	42.53	1.62	80.16	2.55	61.25	2.67
Total	2,618.16	100.00	3,140.94	100.00	2,295.71	100.00

5. VISION

The Company's vision is to be the leading company in developing and providing rental services of quality industrial properties with international standards by taking into account the social and environmental impacts, as well as maximizing returns to the investors

6. OBJECTIVES

The Company's objective is to maintain its position as the leader in providing standard factories and warehouses of international standard for rent, coupled with associated services, according to tenants' demand. Management with good corporate governance for the benefits of all stake holders is also the Company's objective.

7. INDUSTRY AND COMPETITION

7.1 Concept, demand/supply, and competition

7.1.1 Standard factories for rent

a. The concept of serviced factories

Industrial property development in Thailand is primarily involved with developing industrial estates, providing the estate infrastructure, and selling plots of land for the industrial users to construct their own factories.

The manufacturers might either allocate their capital to build their own factories or lease in order to reduce their operating capital and risks related to any possible uncertainties. To lease factories with associated services becomes attractive for international manufacturers who want to run operation in Thailand with no ownership in properties.

b. Supply

The developers who provide factory buildings for sale/rent can be classified into two types which are;

- Industrial estates/parks developers who develop factory buildings on their own industrial land; and
- Other developers who develop factory buildings on land purchased or leased from the industrial land developers. The Company and its Subsidiary are this kind of developer.

c. Demand

Many foreign manufacturers do not want to develop their own factories, in order to reduce their project capital and increase flexibility, especially in uncertain times. Shortening product life cycles and more investor focus on return on capital have added to the appeal of renting in the eyes of modern international industry.

Thailand is a good location for manufacturing investment as a result of its central position of Asia. Moreover, there is a skilled labor force, and a good level of physical and regulatory infrastructure, as well as beneficial regulations. The growth of foreign direct investment in Thailand increases demands on factories for rent.

d. Competition

At the present, there are few players in standard factory for rent market. Besides TICON, there are Thai Factory Development Public Co., Ltd., Hemraj Land and Development Public Co., Ltd., Amata Summit Ready Build Co., Ltd., and Pinthong Industrial Park Co., Ltd.

However, only TICON has concentrated on development of factories for rent. TICON's competitive advantages are its sole focus on providing factories and warehouses for rent, the multiple locations they can offer, the services they have developed to assist its customers. Moreover, the Company's 20 years of experience in this business and a share of more than 60 percent of the ready-built factory market resulted in the benefits of economies of scale.

7.1.2 Warehouses for rent

a. The concept of warehouses

In Thailand, the cost of logistics management is currently high as compare with other countries, which restricts the country's competitiveness. Improving the effectiveness of logistics management will result in lower supply chain costs, which eventually reduces prices of goods and services. In addition, an efficient logistics infrastructure will encourage foreign direct investment.

Warehouses play an important role in the logistics system. International standard warehouses will improve efficiency of the entire logistics system.

There has been substantial increase in the number of logistics service providers. The logistics service providers, who have specific areas of expertise, have played important roles in logistics management business. Many producers, wholesalers and retailers, and manufacturers tend to outsource their logistics management instead of setting up their own related functions.

However, the principal businesses and the logistics service providers normally have a policy not to own their warehouses. Seeking returns on real estate is not their main business operation. The logistics service providers tend to limit their investment to essential assets which enhance the company's competitiveness, including vehicles, equipment and information technology systems, as well as training personnel. Investment in real estate, especially without expertise, incurs fixed costs for a long time which will increase risk in the event that their customers terminate contracts. For these reasons, the logistics management industry looks to the real estate sector to provide logistics warehouses for rent.

b. Supply

Presently, logistics warehouses are mainly concentrated outside Bangkok and surrounding areas. Many of the warehouses are located on the Asia Highway, Bangna-Trad Road and Rama II Road. Most of these warehouses were not designed for modern distribution systems. In addition, proper infrastructure has not been provided to support logistics management operation. Besides, many of the warehouses are located in residential and mixed use areas which cause problems in terms of safety, congestion and pollution.

c. Demand

Demand for logistics warehouses are from the following sources.

1. Logistics service providers, most of which are multinational companies which have expertise in logistics management with software and modern management systems. The logistics service providers tend to lease warehouses rather than owning them.
2. Operators who are involved in international distribution centres, international procurement offices and modern distribution centres.
3. Manufacturers and major retailers who need distribution centers for the distribution of their goods to their customers in Bangkok and other regions

4. Exporters and importers who are interested in warehouses located near an airport or seaport, especially in a duty free zone
5. Logistics supporting businesses including transportation service provider, packaging service providers, value added creation providers (quality inspection, label sticking, maintenance, assembly/packing), truck maintenance providers, providers of temporary workers and carriers.

d. Competition

Presently, there are few providers of high quality warehouses in good locations. Most available warehouses are of low quality and are in poor locations, as mentioned above. The Company has an advantage over other warehouses providers since its logistics warehouses projects are in good locations. The quality of the warehouses, as well as the supporting infrastructure, are all of good quality and of international standard.

7.2 Competition strategies for factories and warehouses

- **Market positioning**

According to a survey by CB Richard Ellis (Thailand) Co., Ltd., at the end of Q3/2011, TICON had a total market share of 64 percent of the standard factories for rent market under management (of which 34 percent were TFUND's properties).

TICON has positioned itself as the major provider of factories for rent in Thailand. It is the Company's intention to retain and enhance this position by increasing the scale of activities, thereby increasing the customer base, and benefiting from further economies of scale and increasing returns.

The intended market position for the Company's high quality logistics warehouses for rent is the same as for factories for rent, which is to be the major provider.

- **Target market**

The target market for leased factory is component suppliers to large end product manufacturers. However, the Company also seeks to custom-build for larger manufacturers.

The target markets for leased warehouses are producers, wholesalers, retailers and manufacturers, together with their logistic service providers.

- **Pricing**

The level of rents the Company charges are more related to the cost of providing the facilities than the rents competitors charge. The Company will, however, continue to monitor the market to ensure that its rents are competitive, and that the standard of its factories and services provided are superior.

- **Promotion**

The Company's principal marketing activities involve direct approaches to potential customers, and regular contact with a number of intermediaries, such as major manufacturers (to accommodate their suppliers), Thai government agencies, foreign embassies, Trade Missions, Chambers of Commerce, industrial estate developers, real estate brokers and other intermediaries.

Marketing material includes the production of brochures, press advertising, an internet website, signboards on all construction sites, billboards at expressway locations, and selective mailing.

More proactive measures, such as participation in seminars, exhibitions and other relevant meetings, both domestically and overseas, take place from time to time when appropriate.

7.3 Industry outlook and future competition

7.3.1 Industry outlook

Demand for factories and warehouses on lease has continued to increase, following the global economic recovery since late 2009, particularly with investment relocation into Asian countries. In addition, the benefits to manufacturers of not having to invest in fixed assets, but only in income-producing assets, will help support the demands for leasing.

7.3.2 Competition

New competitors would have a high capital requirement, and would need considerable time to develop factories with the locational, size and type diversification comparable to the range TICON offers, as well as to develop the support services currently provided by TICON.

8. PRODUCTION

The Company builds its factories/warehouses on potential plots of land by its own design and construction team. With its own team, the Company has a flexibility in managing construction and can control the construction cost.

The main construction materials are steel and concrete. The Company is able to procure construction materials of the same quality and price from several vendors.

RISK FACTORS

1. RISK RELATED TO LEASE AGREEMENT CONSIDERED AS A SHORT-TERM

With regard to the Company's lease contracts mostly of 3 years term, with options to renew, investors may be concerned about the customers' decisions on renewing the contracts.

However, once the tenants are in production in the factory, they will not tend to vacate it unless there is good reason to do so. For this reason, the normal lease renewal rate is in excess of 80 percent.

The diversification of the Company's locations, as well as the customers' nationality and type of business, helps reduce risk in relation to contract termination. Moreover, the factories/warehouses are of standard design in popular estates and leasing out factories/warehouses where leases are not renewed does not tend to be difficult.

2. RISK RELATED TO FACTORIES/WAREHOUSES LOCATED IN FLOOD-RISK AREA

In Q4/2011, the Company was affected by the floods in Ayudhya and Pathumthani provinces. Its factories/warehouses located in such areas were damaged, following by the Company's loss of a certain amount of rent. Investor may be concerned that there might be a possibility of floods in the future.

TICON has insured its properties, with cover including physical damages and business interruption, to reduce impacts from the floods, if any. However, with its location diversification and majority of properties in eastern Thailand, the Company is able to serve new demands, as well as demands moving from flooded area to other areas considered secure. In addition, concrete dikes are being constructed by industrial estate/park developers in the flooded areas, and by the Company on its logistics park. The dikes are expected to be finished by September 2012, and could be able to protect the properties in such areas.

The broadening of last year flood impacts has led the government to seriously improve water management. The Company believes that the possibility of a repeat of serious flooding is minimal.

3. RISK RELATED TO COMPETITION OF INDUSTRIAL ESTATE DEVELOPERS

At present, there are some industrial estate developers building factories for rent/sale. However, those developers have developed factories for rent on their own estates while the Company's portfolio is diversified in 12 various locations. Moreover, with its own construction team and long experience in this business, the Company has had advantages in serving tenants' demands as well as providing after-sale service to tenants. The Company also has economies of scale due to its large portfolio.

4. RISK RELATED TO A DILUTION EFFECT FROM THE EXERCISE OF TICON-W3

In February, 2009, TICON offered 219,353,636 warrants to its existing shareholders ("TICON-W3"). The exercise ratio is 1.03331 shares for 1 warrant, at the exercise price of Baht 19.355 per share. As at January 6, 2011, 219,349,803 warrants remain unexercised.

If all warrant holders exercise their rights and convert such warrants into ordinary shares, the Company's shareholders might be affected by dilutions of the share value and percentage of shareholding, as follows:

Before full exercise of TICON-W3 (as at December 31, 2011)

Number of paid-up shares	781,005,203	shares
Percentage of shareholding	100	%

After full exercise of TICON-W3

Number of paid-up shares	1,007,661,547	shares
Percentage of shareholding	77.51	%
Dilution of shareholding	22.49	%

5. RISK RELATED TO A DILUTION EFFECT FROM THE EXERCISE OF TICON-W5

In May, 2009, TICON offered 32,883,000 warrants to its directors and selected employees ("TICON-W5"). 1 warrant is exercisable for 1.02905 ordinary shares, at a price of Baht 7.774 per share. The first exercise date is June 29, 2012.

If all warrant holders exercise their rights and convert such warrants into ordinary shares, the Company's shareholders might be affected by dilutions of the share value and percentage of shareholding, as follows:

Before full exercise of TICON-W5 (as at December 31, 2011)

Number of paid-up shares	781,005,203	shares
Percentage of shareholding	100	%

After full exercise of TICON-W5

Number of paid-up shares	814,843,454	shares
Percentage of shareholding	95.85	%
Dilution of shareholding	4.15	%

6. RISK RELATED TO THE ADJUSTMENT OF THE EXERCISE PRICE AND EXERCISE RATIO OF TICON-W3, TICON-W4 AND TICON-W5

In the event that, in the future, the Company offers the existing shareholders and/or the general public any new securities which give rights to the holders to purchase or convert such securities into the Company's ordinary shares, the adjustment of the exercise price and exercise ratio of TICON-W3 and TICON-W5, in accordance with the conditions mentioned in the Company's prospectus, might not completely compensate for lower benefits of the warrant holders. Such lower benefits may occur because the adjustment formula is concerned only with the intrinsic value of the warrants while the time value has not been taken into account.

7. RISK RELATED TO RELIANCE ON PARTICULAR BUSINESS SECTORS AND NATIONALITIES OF TENANTS

At the end of 2011, 61 percent of the Company's tenants were manufacturers from Japan, and 42 percent of the tenants were in the electronics/electrical sectors. The Company might be affected from the slowdown of electronics/electrical sectors, or direct investment from Japan.

Anyhow, the customer in the electronic part segment is comprised of diversity of different business area which is not directly related for example Hard disk drive segment/ general electronic manufacturing service.

According to the investor from Japan, Thailand still is the first choice in Southeast Asia, hence risk relate to only investor from Japan is in tolerance area.

Moreover, the standard type of factories can help serve the demands of various customers

8. RISK RELATED TO ABILITY TO LEASE OUT FACTORIES/WAREHOUSES IN DEVELOPMENT PLAN

At the end of 2011, the Company had 56 factories and 96 warehouses under development plan. The Company might have to carry the development cost even if such factories and warehouses cannot be leased out.

The Company believes that the risk can be controlled. The Company intends to maintain only a few available factories/warehouses in each location. In the event that the numbers of available factories/warehouses exceeds what is required, the construction will be slowed down. With its own construction team, the Company can manage construction effectively, including speed and flexibility, to transfer workers to other active locations.

9. RISK RELATED TO OBJECTION FROM THAILAND EQUITY FUND IN ISSUING SECURITIES TO EXISTING SHAREHOLDERS WITH COST

In the event that the Company has a plan to issue any new securities for existing shareholders with cost and Thailand Equity Fund (“TEF”) disagree with the plan, Mr. Chali Sophonpanich, Mr. Direk Vinichbutr, and Mr. Wei Cheng Kuan will object to such plan and will try their best to convince other major shareholders, i.e. City Villa Co., Ltd., Sathorn City Tower Property Fund, Riverside Garden Marina Co., Ltd., and Rojana Industrial Park Public Co., Ltd. to follow their decisions, according to the Shareholders’ Agreement with TEF.

In this regard, the Company believes that as long as the plan benefits the shareholders, TEF will support the Company’s decision as usual.

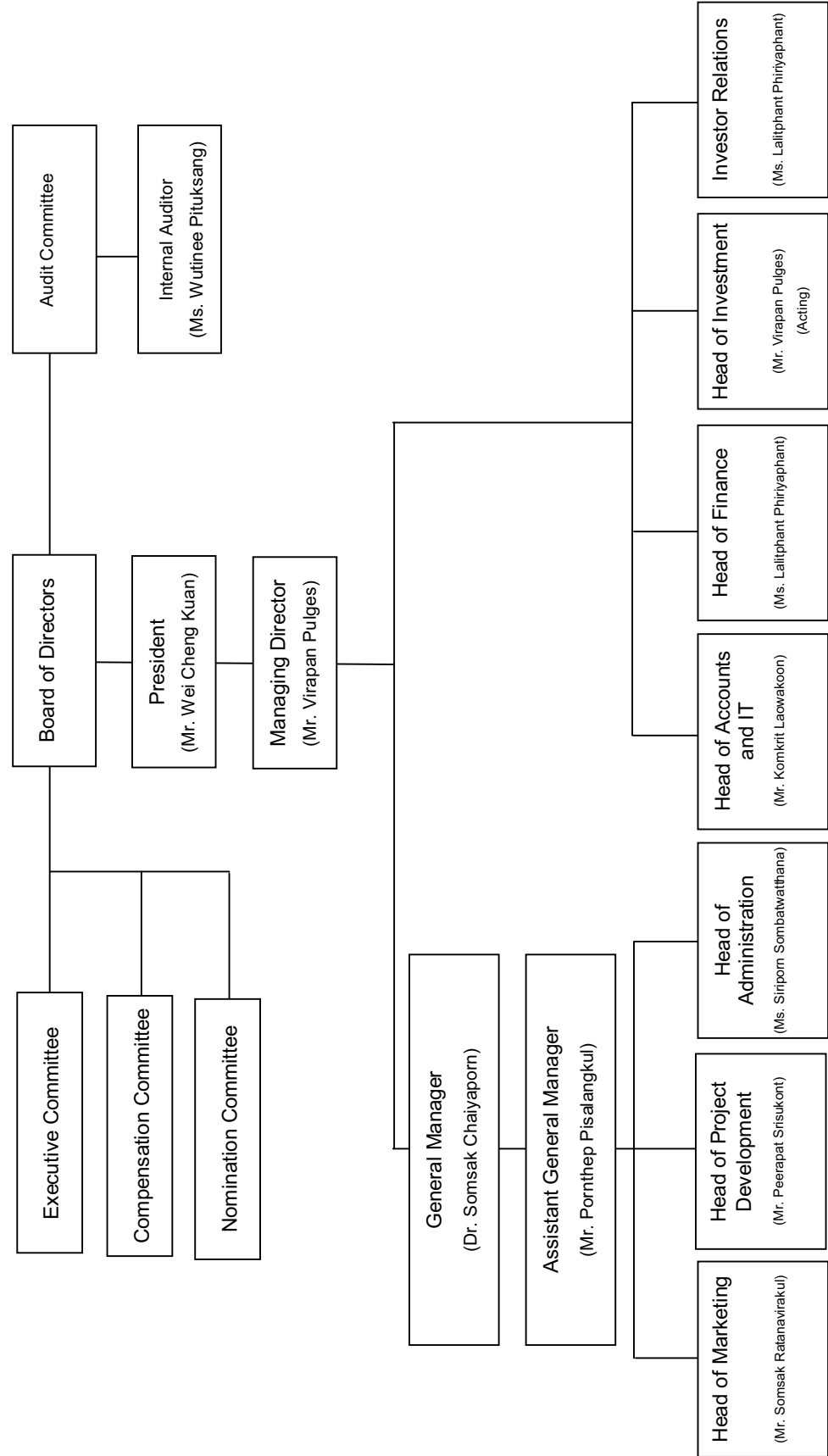
SHAREHOLDING STRUCTURE

Shareholders	As of March 15, 2012	
	No. of Shares	%
1. Rojana Industrial Park Group		
Rojana Industrial Park Public Co., Ltd.	166,736,672	21.35
Mr. Direk Vinichbutr	1,169,424	0.15
	167,906,096	21.50
2. City Realty Group		
City Villa Co., Ltd.	28,569,000	3.66
Mrs. Siriya Sophonpanich	5,375,782	0.69
City Realty Co., Ltd.	1,913,100	0.24
Mr. Chali Sophonpanich	14,379,400	1.84
	50,237,282	6.43
3. Directors/Managements/Related persons		
Mrs. Yupadee Kuan and Mr. Manopath Kuan (President's spouse and son)	33,000,000	4.22
Miss Siriporn Sombatwatthana (Head of Administration) and spouse	14,420,000	1.85
Mr. Virapan Pulges (Managing Director) and spouse	6,856,406	0.88
Mr. Threekwan Bunnag (Director and Audit Committee's member) and spouse	1,685,957	0.22
Mr. David Desmond Tarrant (Director and Chairman of the Audit Committee)	458,589	0.06
Mr. Somsak Chaiyaporn (General Manager)	101,746	0.01
Miss Lalitphant Phiriyaphant (Head of Finance and Company Secretary)	44,068	0.01
Mr. Somsak Ratanavirakul (Head of Marketing)	12,832	0.00
	56,579,598	7.25
4. Thai N.V.D.R Limited	74,273,601	9.51
5. Mr. Pracha Kijworametha	43,200,775	5.53
6. Mrs. Suchada Leesawattrakul	25,364,800	3.25
7. Nortrust Nominees Ltd.	24,858,800	3.18
8. Miss Jutharat Saekoo	18,028,878	2.31
9. Phatra Capital Public Co., Ltd.	16,900,600	2.16
10. State Street Bank Europe Ltd.	14,530,987	1.86
11. Others	289,123,786	37.02
Total	781,005,203	100.00

The Company has a policy of paying cash dividend of not less than 40 per cent of net profit after taxation; however, whether the Company will pay dividends and the amount thereof will depend upon the Company's results, financial condition and cash requirements and other relevant factors. At the present there is no dividend payments restriction under loan agreement between the Company and financial institutions.

MANAGEMENT

1. MANAGEMENT STRUCTURE AS OF 31 DECEMBER 2011



The Company has one Board of Directors and four Sub-Committees, comprising the Executive Committee, the Audit Committee, the Compensation Committee and the Nomination Committee.

1.1 BOARD OF DIRECTORS

The Company's Board of Directors consists of eight members as follows:

- | | | |
|----|---------------------------|---------------------------------|
| 1. | Mr. Chali Sophonpanich | Chairman of the Board |
| 2. | Mr. Direk Vinichbutr | Director |
| 3. | Mr. Jirapongs Vinichbutr | Director |
| 4. | Mr. Wei Cheng Kuan | Director |
| 5. | Mr. Virapan Pulges | Managing Director |
| 6. | Mr. David Desmond Tarrant | Chairman of the Audit Committee |
| 7. | Mr. Chatchaval Jiaravanon | Audit Committee's member |
| 8. | Mr. Threekwan Bunnag | Audit Committee's member |

The authorised directors are Mr. Chali Sophonpanich, Mr. Direk Vinichbutr, Mr. Jirapongs Vinichbutr, Mr. Virapan Pulges, and Mr. Wei Cheng Kuan, any two out of five may sign documents with the Company's seal affixed.

Mr. Chali Sophonpanich represents City Realty Group, Mr. Direk Vinichbutr and Mr. Jirapongs Vinichbutr represent Rojana.

Roles, duties and responsibilities of the Board of Directors

1. New directors should attend orientation classes regarding business operations of the Company.
2. Conduct their duties in compliance with all laws, objectives and the Articles of Association of the Company, as well as resolutions of the shareholders' meetings with honesty and integrity and carefully safeguard the benefits of the Company to ensure fair accountability towards all shareholders.
3. Formulate policies and directions of the Company's operations, and also monitor and supervise the management team to function in accordance with such policies and regulations with efficiency and effectiveness, under the principles of Good Corporate Governance, to maximize economic value and shareholders' wealth.
4. Report the Company's performance to shareholders' meetings and via the Company's annual report.

5. Arrange effective and reliable accounting systems, financial report, internal control and internal audit systems.
6. Review the Company's Good Corporate Governance Policy constantly.
7. Ensure that the management team treats all stakeholders with ethics and equitability.
8. Independent and other external directors are capable to use their judgment with an independent opinion in determining matters such as setting out strategies, operational tactics, resource utilization, nomination of directors, including setting up performance standard of the Company. They also have to be ready to oppose any acts of other directors or the management on the issues affecting the equity of shareholders.
9. Seek professional opinions from external to make comments or give advice on the Company's operations with the Company's expense as necessary.
10. Appoint the Company Secretary to take care of the Board's and the Company's activities such as the Board of Directors' meeting and the shareholders' meeting, also assist the directors and the Company in performing their duties as required by laws and related rules and regulations from time to time. Moreover, the Company Secretary is accountable for supporting the directors and the Company in disclosing all information accurately, completely, transparently, and providing in a timely manner.
11. Directors shall refrain from securities trading during periods when they are in possession of material information not yet disclosed to the public, which might affect the share price. Directors shall also not disclose such information to outsiders. Directors are aware of the penalties regarding misuse of such information.
12. Report and update the "Report on the interest of Director and Executive" to the Company, in compliance with the Company's criteria.

Appointment of the Board members

The candidates of the Board's members are nominated by the Nomination Committee. The appointment is subject to the Articles of Association, which are in compliance with the Public Limited Company Act, the terms of which are as follows:

1. In the case of appointing a Director to replace a retiring Director, or appointing an additional director, a resolution from a shareholders' meeting is required. The said appointment takes place under the following procedures:
 - a) Each shareholder has one vote per share

- b) Each shareholder may exercise his/her voting right pursuant to a) to elect one or more candidates as Director(s) but may not allot his/her votes to any such candidate unequally.
 - c) Candidates who receive the largest numbers of votes shall be elected as Directors until the vacancies are filled. Where there is a tie among the candidates, the chairman of the meeting is entitled to a casting vote.
2. Where a Director vacates office for reasons other than retirement, the Board of Directors will appoint a qualified person as a replacing director.

1.2 EXECUTIVE COMMITTEE

The Company's Executive Committee consists of five members, as follows:

- | | |
|-----------------------------|---|
| 1. Mr. Wei Cheng Kuan | Chairman of the Committee |
| 2. Mr. Virapan Pulges | Vice Chairman of the Committee |
| 3. Mr. Chali Sophonpanich | Committee's member |
| 4. Mr. Jirapongs Vinichbutr | Committee's member |
| 5. Dr. Somsak Chaiyaporn | Committee's member and Secretary to the Committee |

Roles, duties and responsibilities of the Executive Committee

- 1. Undertake action assigned by the Board.
- 2. Strictly comply with laws, objectives, rules and regulations of the Company.

1.3 AUDIT COMMITTEE

The Company's Audit Committee consists of three members, as follows:

- | | |
|------------------------------|--|
| 1. Mr. David Desmond Tarrant | Chairman of the Committee/Independent Director |
| 2. Mr. Chatchaval Jiaravanon | Committee's member/Independent Director |
| 3. Mr. Threekwan Bunnag | Committee's member/Independent Director |

All members of the Audit Committee have knowledge and experience in accounting to review the financial report process to ensure the reliability.

Roles, duties and responsibilities of the Audit Committee

- 1. Review the accuracy and adequacy of the Company's financial reports.

2. Ensure that the Company has suitable and efficient internal control system, internal audit and the risk management system.
3. Consider, select, nominate and evaluate the Internal Audit Manager as well as an independence of the Internal Audit Department.
4. Review the Company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business.
5. Consider the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the Stock Exchange of Thailand's rules and regulations together with the laws relating to the Company's business.
6. Review and consider with the management on the defects that have been found out and on the responses from the management.
7. Empower on the auditing and investigating all related party under the authorization of the Audit Committee and is authorized in hiring an expert so as to audit and investigate in compliance with the Company's regulations.
8. Prepare an annual disclosure report on the corporate governance of the Audit Committee to be included in the annual report, affixing the signature of the Chairman of the Audit Committee. Minimum contents to be disclosed in the report are the Audit Committee's performing, number of attending the meeting, attendants and overall opinions of the Committee.
9. Consider, select, nominate and recommend remuneration of the Company's external auditor. The Audit Committee shall meet privately with the external auditor at least once a year, without the management team being present.
10. Consider scopes of work and plans of the external auditor and the internal audit department in order to ensure cooperation of both parties and ensure there is reductive double operations of financial auditing.
11. Approve charter, work plans, budget and manpower of the Internal Audit Department.
12. Review the efficiency and effectiveness of Information Technology System in relation to the Internal Control and the Risk Management.

13. If the Audit Committee find the issue that may affect the financial and performance of the Company, the Audit Committee shall report to the Board to improve it in due course.
14. Perform any other acts assigned by the Board, with the approval of the Audit Committee.

Composition of the Audit Committee

1. The Audit Committee shall be comprised of at least 3 independent members of the Board, that all non-executive.
2. At least 1 member of the Audit Committee must have knowledge, understanding or experience in accounting or finance to review the financial report process to ensure the reliability.

Criteria for the appointment and nomination of the Audit Committee members

The Audit Committee is nominated by the Nomination Committee and shall be appointed by the Board of Directors or shareholders. A committee member must possess full qualifications according to the criteria as follows:

1. Holding shares not more than 1 percent of number of voting stock of the Company, subsidiary companies, associated companies or related company, which shall be inclusive of the shares held by related persons.
2. Persons who have benefits or financial and/or managerial interests in the Company and/or its related companies, either at present or during the past two years, shall be prohibited to hold the position of independent director of the Company. Such prohibited relationships include:
 - Executive director, employee, worker, advisor who receives regular salary or controlling person;
 - Professional advisors such as auditor, legal advisor, financial advisor or appraiser; and
 - Persons with business relationships through such means as normal business transaction, acquisition or disposition of assets, and offering or receipt of financial assistance, etc.

3. In case of concurrently holding the position of independent director at other companies in the same group, the Company shall disclose such information and compensations received from such other companies.
4. Audit Committees are prohibited to be any types of directors at any other listed companies in the same group.
5. Being a director who is not a related person or close relative of any management member or major shareholder of the Company.
6. Being a director whom is not appointed as a representative to safeguard interests of the Company's directors, major shareholders or shareholders who are related to the Company's major shareholders.
7. Being capable of performing duties, giving opinions or reporting the results of performance of work according to the duties delegated by the Board frees and clears from the control of the management or the major shareholders of the Company including related persons or close relatives of the said persons.

Related persons include persons who have relationship with or are related to the Company to the extent that they cannot perform their duties independently or in a flexible manner such as supplier, customer, creditor, debtor or person who has business relation that is material etc.

1.4 COMPENSATION COMMITTEE

The Company's Compensation Committee consists of three members, as follows:

- | | | |
|----|---------------------------|---------------------------|
| 1. | Mr. Chali Sophonpanich | Chairman of the Committee |
| 2. | Mr. David Desmond Tarrant | Committee's member |
| 3. | Mr. Jirapongs Vinichbutr | Committee's member |

Roles, duties and responsibilities of the Compensation Committee

1. Propose policy and criteria for compensation of the Board of Directors' and Sub-committees' members including meeting allowance, bonus, welfare and other compensation in both cash and non-cash terms, by taking into consideration similar compensation in the industry.
2. Determine cash and non-cash welfare and other benefits for the Company's employees.

1.5 NOMINATION COMMITTEE

The Company's Nomination Committee consists of four members, as follows:

- | | | |
|----|---------------------------|--------------------------------|
| 1. | Mr. Chali Sophonpanich | Chairman of the Committee |
| 2. | Mr. Jirapongs Vinichbutr | Vice Chairman of the Committee |
| 3. | Mr. David Desmond Tarrant | Committee's member |
| 4. | Mr. Threekwan Bunnag | Committee's member |

Roles, duties and responsibilities of the Nomination Committee

1. Set criteria and methodology for selection of the Board's and Sub-committees' members as well as President and Managing Director, for the purpose of transparency.
2. Nominate members of the Board and Committees for the Board and/or shareholders to appoint.
3. Recruit and appoint those nominees to be President and Managing Director.

1.6 MANAGEMENT TEAM

The Company's management team is as follows:

- | | | |
|----|------------------------------|---------------------------------------|
| 1. | Mr. Wei Cheng Kuan | President |
| 2. | Mr. Virapan Pulges | Managing Director |
| 3. | Dr. Somsak Chaipayorn | General Manager |
| 4. | Mr. Pornthep Pisalangkul | Assistant General Manager |
| 5. | Mr. Peerapat Srisukont | Head of Project Development |
| 6. | Mr. Somsak Ratanavirakul | Head of Marketing |
| 7. | Miss Siriporn Sombatwatthana | Head of Administration |
| 8. | Miss Lalitphant Phiriyaphant | Head of Finance and Company Secretary |
| 9. | Mr. Komkrit Laowakoon | Head of Accounts and IT |

Authorities and Duties of the Management

The Management are authorized to carry out tasks assigned by the Board of Directors under the rules, regulations and Articles of Association of the Company. However, any member of the Management having a material interest, directly or indirectly, or having a conflict of interests in any matter with the Company/Subsidiaries, as defined by the SEC, has no right to engage in such matter.

2. COMPENSATION FOR DIRECTORS AND MANAGEMENT

Criteria for determination of Directors' compensation

The Directors' compensation has been fixed by taking into consideration the duties and responsibilities of the Directors. Furthermore, the Company's performance and similar Directors' compensation of listed companies in the industry have been taken into account as well. The compensation has been initially determined by the Compensation Committee, and proposed to shareholders for approval.

2.1 Compensation in cash

In year 2011, the compensations (accrual basis) paid to Directors and Audit Committee's members are as follows:

Unit : Baht

Directors	Meeting allowance		Bonus
	Board	Audit Committee	
Mr. Chali Sophonpanich	120,000	-	1,130,000
Mr. David Desmond Tarrant	40,000	30,000	970,000
Mr. Direk Vinichbutr	20,000	-	900,000
Mr. Jirapongs Vinichbutr	60,000	-	900,000
Mr. Wei Cheng Kuan	40,000	-	900,000
Mr. Virapan Pulges	70,000	-	900,000
Mr. Pote Videtyontrakich	10,000	-	-
Mr. Threekwan Bunnag	70,000	40,000	800,000
Mr. Chatchaval Jiaravanon	40,000	40,000	450,000
Total	470,000	110,000	6,950,000

Note: * Mr. Pote Videtyontrakich has resigned his position as a director since April 21, 2011.

During the same period, the compensations (accrual basis) paid to the Company's Management totaling 9 persons are as follows:

	Amount (Baht)
Salary	18,609,900
Bonus	2,526,350
Provident Fund	666,324
Total	21,802,574

2.2 Other compensations

In 2011, no other compensation was paid to Directors and Management.

CORPORATE GOVERNANCE

1. SHAREHOLDERS TREATMENTS

The Company takes shareholders' equitable treatment, especially their rights of access to the Company's information in sufficient detail and in a timely manner. This information has been provided via the SET electronic company information disclosure system, press releases as required by the Public Limited Company Act, as well as via the Company's web site, <http://www.ticon.co.th>

Besides the disclosure of information, the Company also pays attention to the shareholders' meeting, particularly in the composition of the meeting, so as to ensure the equitable treatment of the shareholders. The Company arranges meetings by selecting a suitable date, time and place to accommodate most shareholders. Map of the meeting's venue is attached to the invitation letter. The letter contains objective and reason and the Board of Directors' opinion on each agenda item. The letter is sent to the shareholders 7 days prior to the meeting, or 14 days prior to the meeting in the event that the notice of the meeting contains a special agenda, according to the Company's Articles of Association.

All essentially relevant information is provided to the shareholders as supporting information for voting purposes. The Annual Report, containing information of the Company's performance during the previous year, is attached with the invitation letter as well. Moreover, the proxy form, containing the information of Audit Committee's member(s) being proposed as a proxy, is provided for the Shareholders with a format that helps the shareholders to choose when voting for each agenda item. The Company also attaches its Articles of Association in regard to voting requirement of the agenda with the invitation letter, together with the evidence required for attending the meeting.

Starting from 2007, the Company offers the shareholders the opportunity to propose the meeting's agenda(s) and any qualified person(s) to be director(s) in advance of the meeting. The criteria and procedures of the proposal are clearly informed on the Company's website.

In every meeting, the Board of Directors' and Audit Committee's members and Management have been represented at the meeting. The Chairman of the Board, or any person voted by the Shareholders as chairman for the meeting, presides over the meeting according to the ordered agenda. In order to create transparency, the Company also clarifies voting method and informs voting results to the Shareholders. The Shareholders are welcome to express opinions and ask questions freely. The Company provides the shareholders with clear answers.

The Board of Directors has monitored the record of the minutes of the meeting to ensure that such minutes contain a clarification of significant issues, questions, and opinions, as well as the voting required for each agenda. The minutes are finished in time, kept properly and accessible for

verification and examination. The Company also records voting results in the minutes in order to promote transparency.

All the meeting related information is provided on the Company's website, both in Thai and English, including the invitation letter to be disclosed prior at least 1 month to the meeting and the minutes of the meeting which will be disclosed within 14 days after the meeting. Moreover, an audiovisual recording of the meeting is also accessible on the Company's website.

There were 6 directors attended and 2 directors absent the 2011 Annual General Meeting of Shareholders.

2. STAKEHOLDERS TREATMENTS

The Company has realized that all stakeholders, including employees, suppliers, customers, lenders, community, society, as well as competitors, all play a part in the Company's business success. As a result, the Company is very much concerned that the employees are treated equally and fairly; that products and services bought from suppliers are in accordance with normal business conditions and agreements; that customers are provided with good products and services and their information is treated as confidential; that borrowing agreements are strictly honored; that community, environment and society are responsibly treated and that only fair business practices are used in relation to competition with its competitors. Stakeholders can inform the Company of any unfair matters to the Company via telephone or website.

3. BOARD OF DIRECTORS

The Company's Board of Directors consists of 8 persons, with 3 members of the Audit Committee which are independent directors. The authorities of the Chairman of the Board, the President and the Managing Director have been clearly separated so as to reduce overall individual influence.

The Directors meet regularly at least once a quarter to consider the business of the Company. A notice of the meeting, containing a clear agenda, together with supporting documents, is normally sent to the Directors at least 7 days prior to the meeting except when urgent, as required by the Articles of Association.

The following table shows the attendance of each Director in year 2011.

	Number of attendances (7 meetings in total)
1. Mr. Chali Sophonpanich	6
2. Mr. David Desmond Tarrant	4
3. Mr. Direk Vinichbutr	2
4. Mr. Jirapongs Vinichbutr	6
5. Mr. Wei Cheng Kuan	4
6. Mr. Virapan Pulges	7
7. Mr. Threekwan Bunnag	7
8. Mr. Chatchaval Jiaravanon	4

The Company Secretary is responsible for arranging the meetings, preparing agendas and supporting documents, circulating agendas and recording all the proceedings in the minutes with all significant details and opinions within 14 days from the meeting date, filing all relevant documents properly and providing the Board with any advice regarding rules and regulations relating to meetings' agendas.

The Board of Directors plays a significant role in the following areas so as to encourage the Company to participate in a good corporate governance.

- At the beginning of the year, the Board of Directors will consider determining the Company's business strategy and operation targets as well as review the management performance for the previous year. Performance against target will be reviewed, with a view to optimizing future business policy and set appropriate targets for the following year.
- To encourage the effectiveness of the Board's operation, a review of the Boards' performance, as well as an analysis of any problems and obstacles during the previous year, will help the Board optimize its performance. The Board, therefore, conduct a self assessment every year.
- The Board of Directors will propose the basis of Directors' compensation, initially proposed by the Compensation Committee, to shareholders for approval. To date, the said compensation has been approved by the shareholders, after taking into consideration the duty and responsibility of the Directors. The Chairman of the Board has been paid a higher compensation. Directors who are assigned additional responsibility, such as servicing as members of the Audit Committee, have been paid appropriately more compensation.

The compensation paid to the Directors and Audit Committee's members in year 2011 is disclosed in the topic of "Compensation for Directors and Management".

- To encourage efficiency and prudence of business management, the Board of Directors has determined duties and responsibilities of Directors and Management regarding financial authorization. The amount of such authorization has been determined in regard to the purchase/lease of assets, disposal/lease out of assets, as well as signing of loan agreements with financial institutions. The Company has already informed the Directors, Audit Committee members, Management and relevant employees concerning such authorization.
- The Board of Directors and Audit Committee have regularly monitored and acknowledged all connected transactions and transactions which might lead to any conflicts of interests. The appropriateness of the said transactions has been prudently considered on an arm's length basis, and any Director who has a conflict of interest has no voting right in such matters. In addition, the Board of Directors and Audit Committee have also overseen compliance with the relevant rules and regulations concerning connected transactions. In consideration of connected transactions, the Director who might have conflict of interests is not entitled to vote.

The opinion of the Audit Committee regarding the Company's connected transactions has been disclosed in the topic of "Connected transactions".

- The Board of Directors has prepared a report indicating its responsibilities for financial statements, as appended to the auditor's report, to ensure that the Company's financial report is complete, true, reasonable and in compliance with generally accepted accounting standard and relevant regulations. The Company regularly conducts appropriate accounting policy.
- Even though the Chairman of the Board represents a major shareholder, the Company has the Audit Committee to help ensuring that the approval of any transactions is carried out correctly, transparently and fairly.
- In 2009, the Board of Directors has formulated the Corporate Governance Policy in which the relevant policy and key principal are complied for the directors and employees to follow in their performance of duties. The details of the policy have been posted on the Company's web site, <http://www.ticon.co.th>

4. AUDIT COMMITTEE

The Company has three Audit Committee's members. All the members are independent, which holds the Company's ordinary share less than 1 percent, non-executive Directors, and have accounting and/or finance background. The Audit Committee assists the Board in fulfilling the Company's good corporate governance, particularly in providing visions of business, commenting on financial reports and internal control systems, and monitoring the completion and compliance with relevant standards and regulations of the disclosure of financial reports. All these actions enhance the quality of the said reports.

The Audit Committee has played an important role in the following areas to enhance good corporate governance:

- The Audit Committee's meetings are arranged at least once a quarter to consider the above matters. The Company's auditor also joins the meeting in every round of consideration of the financial reports.

The following table shows the attendance of each Audit Committee's member in year 2011.

	Number of attendances (4 meetings in total)
1. Mr. David Desmond Tarrant	3
2. Mr. Threekwan Bunnag	4
3. Mr. Chatchaval Jiaravanon	4

Presently, the Company's Internal Auditor is responsible for taking care of the Audit Committee's activities, including arranging the meeting, preparing agenda and supporting document, circulating agenda, recording all the proceeding in the minutes and filing relevant document.

- The Audit Committee will report all activities which have already been carried out to the Board of Directors' Meeting at least every quarter. The Committee has policy on reporting any essential incidents to the Board immediately. In addition, the Committee has prepared a report to the shareholders in the Annual Report.
- The Company has the Audit Committee's Charter. The charter includes roles and responsibilities of the Committee. This will help enhancing the effectiveness of the Committee.

5. EXECUTIVE COMMITTEE

The Executive Committee has 5 members who are appointed by the Board of Directors to perform duties assigned by the Board of Directors.

6. COMPENSATION COMMITTEE

The Compensation Committee comprises 3 Directors who are appointed by the shareholders or the Board of Directors. The Committee is responsible for monitoring the transparency and fairness of the determination of the Directors' and Management's compensations, as well as the provision of the employees' welfare.

The Compensations mentioned above will be determined according to market practice, the Company's performance and duties and responsibilities of the Directors and Management.

The following table shows the attendance of each Compensation Committee's member in year 2011.

	Number of attendance (1 meeting in total)
1. Mr. Chali Sophonpanich	1
2. Mr. David Desmond Tarrant	1
3. Mr. Jirapongs Vinichbutr	1

7. NOMINATION COMMITTEE

The Nomination Committee comprises 4 Directors who are appointed by the Board of Directors. The Committee is responsible for setting criteria and methodology for selection of the Company's Directors, Committees' members, President and Managing Director, for the purpose of transparency.

The following table shows the attendance of each Nomination Committee's member in year 2011.

	Number of attendance (1 meeting in total)
1. Mr. Chali Sophonpanich	1
2. Mr. Jirapongs Vinichbutr	1
3. Mr. David Desmond Tarrant	1
4. Mr. Threekwan Bunnag	1

8. OTHER COMMITTEES

- None -

All details of the Board and Committees, including names and responsibilities, were described in the item of "Management".

9. BUSINESS ETHICS

The Company has code of ethics contained in the Company's Manual. The manual also includes guidelines in relation to inside information usage for personal benefits.

10. RELATED PARTIES RELATIONSHIP

As a public listed company, TICON appreciates the need to disclose full, accurate information on a timely basis. The Company has assigned Management to be responsible for providing information to investors, shareholders, analysts and relevant agencies. The table below presents details of IR person.

Name	Position	E-mail	Address
Ms. Lalitphant Phiriyaphant	Head of Finance	lalitphant@ticon.co.th	Suite 1308, 13/1th Floor, Sathorn City Tower, 175 South Sathorn Road, Bangkok 10120 Tel. (662) 679-6565 Fax. (662) 287-3153

In addition to the regular meetings at TICON's offices and site visit requested by investors/analysts, TICON also participated analyst meetings, Opportunity Day, arranged by the Stock Exchange of Thailand each quarter, as well as local/international roadshows arranged by securities companies. The activities help investors not only to understand more on TICON but also enhance relationship with Management.

11. MONITORING OF INSIDER TRADING

The Company has put in place a policy and measures relating to inside information as follows:

- Directors and management have been notified of their responsibilities to report TICON shareholding, according to the Section 59 of the Securities and Exchange Act B.E. 2535 as well as the relevant penal provisions.
- Management has been notified to refrain from trading of TICON shares during periods when they are in possession of material information not yet disclosed to the public, which might affect the share price. The Company has also notified Management not to disclose such information to outsiders. Management is aware of the penalties regarding misuse of such information.
- Information which might leak to the public will be clarified via the SET, so as to create fairness among shareholders and investors.

12. SOCIAL RESPONSIBILITY

The Company realizes the importance of the social and environmental responsibility, and of the community. Therefore, over the past years, the Company carried out public-spirited activities. The details of which are as follows:

- Constructing a school building for Yensira Baan Man Khao school, Loei province
- Donating computer to Wat Suan Kaew, Nonthaburi province
- Donating to help flood victims through The Stock Exchange of Thailand
- Preparing relief bags for flood relief, cooperated with the Thai Listed Companies Association, the Stock Exchange of Thailand and other capital markets organisations, Bangkok

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors' Meeting No. 1/2012 had reviewed the appropriateness and sufficiency of the Company's internal control systems in regard to the Company's organization and environment, risk management, management operation control, information and communication system and monitoring system. The Board was of the opinion that the Company has appropriate and sufficient internal control systems, including:

- The Company's business targets, which were determined in the form of earnings per share, were set out. The result of each year has been compared with the target. Discussions have taken place in the event that the targets were not achieved in order to improve the Company's performance in the following year.
- The management's approval authorities were clearly determined. However, any member of management potentially involve in any conflict of interest will not be authorised to approve such matters. The responsibilities for approving transactions, recording accounting matters and monitoring assets are defined separately for transparent monitoring.
- The Management's responsibilities in controlling the Company's assets are determined. In addition, the responsibilities of operators, controllers and assessors are clearly separated, so as to balance the authorities and encourage appropriate examination of each other.
- The financial reports were prepared systematically, including a filing process, an examination/audit by external auditor, and a review of the financial report by the Audit Committee and the Board of Directors before disclosing such report to the public, so as to ensure accuracy and completeness.
- Risks which might occur from the Company's operation have been identified. Probabilities and consequences of occurrence of the risk have been assessed. The measures to prevent the risk have been determined. As well, a group of persons were assigned to implement such measures to avoid the risk.
- The Internal Audit unit, reporting directly to the Company's Audit Committee, was set up to examine the Company's compliance with laws, related regulations and internal control systems. The examinations have been undertaken both for the Company's head office and site offices. The Internal Auditor has analyzed the examination results which lead to the determination of measures to control, monitor and deal with the problems. The proposed measures have been submitted to the Audit Committee for consideration.
- The Company and its subsidiaries' external auditor has made no adverse opinions in regard to the Company's internal control.

The internal control, which has made efficient operation, is the key to the Company's business. It was reasonably confident that the Company's performance was able to achieve the objective and generated benefit in long term. Moreover, it was ensured that the financial information and operation were reported accurately and completely. It was also assured that the Company's operation has complied with laws, related regulations and to protect risks that may arise.

CONNECTED TRANSACTIONS

1. DETAILS OF THE CONNECTED TRANSACTIONS

1.1 Purchase of land from related party

The Company has acquired plots of land for factories/warehouses development from Rojana Industrial Park Public Co., Ltd. ("Rojana") for many years. Rojana is considered as a related party which might have a conflict of interest with TICON. Rojana is a major shareholder of TICON. Two of its directors, Mr. Direk Vinichbutr and Mr. Jirapongs Vinichbutr, are directors of TICON.

In 2011, the Company purchased 3 plots of land from Rojana, with the amount of Baht 86.47 million in total.

Opinion of the Audit Committee

The Audit Committee has considered the transaction mentioned above by taking into consideration the market price of the land in the surrounding areas. The Committee was of the view that such transaction was necessary, reasonable and determined at market price, with terms and conditions as practiced in the market.

1.2 Lease of office space from related party

The Company has leased office space from Sathorn City Tower Property Fund ("the Fund"). A major shareholder of the Fund relates to a shareholder and a director of the Company, details of which are as follows;

1. City Realty Group, a major shareholder of the Fund, held a 6.4 percent stake directly and indirectly in TICON, as of March 15, 2012.
2. Mr. Chali Sophonpanich is a shareholder and an authorized director of TICON as well as of the associated companies in the City Realty Group.

In 2011, the Company leased office space from the Fund, with the rental fee totaling Baht 13.09 million.

As of December 31, 2011, there was no accrued expense on this fee.

Opinion of the Audit Committee

The Audit Committee has considered the transaction mentioned above by taking into consideration office rental in the surrounding areas. The Committee was of the view that such transaction is reasonable and determined at market price with similar services and conditions as others.

1.3 Use of financial services provided by related party

The Company has used financial services provided by Bangkok Bank Public Co., Ltd. ("BBL"). A major shareholder of BBL is the Sophonpanich family which relates to Mr. Chali Sophonpanich, a shareholder and a director of TICON.

At the end of 2011, TICON had outstanding balance of the financial transactions with BBL as follows:

Transaction	Interest rate/fee (% per annum)	Outstanding balance (Million Baht)
Long-term loans	MLR minus a certain rate	1,000.53
Short-term loans	market rate	100.00
Letter of Guarantee	as announced by the bank	9.59
Fixed deposit	as announced by the bank	1.36
Current investments	market rate	350.00

As at December 31, 2011, the Company had Baht 0.06 million accrued interest expense and Baht 0.06 million accrued interest income. However, both items had already been settled in early 2012.

In 2011, BBL has subscribed Baht 350 million debentures issued by TICON. The debentures have 5 years tenor with fixed coupon rate for the whole term.

Opinion of the Audit Committee

The Audit Committee has considered the transactions as mentioned and was of the opinion that such transactions were reasonable and determined at market price with proper terms and conditions as practiced in the market.

1.4 Use of securities trading services provided by related party

In 2011, the Company has traded units of TFUND and TLOGIS via Asia Plus Securities Public Co., Ltd. ("ASP"). Mr. Chali Sophonpanich is a director of ASP as well as TICON.

Total brokerage fee paid to ASP during 2011 was Baht 0.066 million.

As at December 31, 2011, there was no accrued expense in regard to this transaction.

Opinion of the Audit Committee

The Audit Committee has considered the transactions mentioned above and was of the opinion that such transactions were necessary and determined at market price with conditions as practiced in the market.

The Company's Board of Directors' Meeting No. 4/2008, held on August 13, 2008, has authorized the Management to make a decision on any connected transactions determined at market or fair price.

2. NECESSITY AND REASONABLENESS OF THE TRANSACTIONS

The connected transactions mentioned above were necessary and benefit the Company. They were carried out at fair and reasonable price, as stated in the opinion of the Audit Committee.

3. MEASURES AND PROCEDURES TO APPROVE CONNECTED TRANSACTIONS

The Audit Committee is responsible for ensuring the fairness of the connected transactions by taking into consideration the highest benefits to the Company. The Committee also monitors the disclosure of the transactions in compliance with the SET regulations. The Company has a procedure engaged in relation to the connected transactions as follows:

- The Company's Board of Directors' Meeting No. 4/2008, held on August 13, 2008, has approved in principle to authorize the Management to make a decision on on-going and future connected transactions with the condition that such connected transactions are undertaken on arm's length basis. The Management shall report such transactions to the Board of Directors' Meeting to be held following the transactions.
- The Audit Committee will ensure that the connected transactions be determined at market or fair price. The transactions will be approved by the Board of Directors or the Shareholders (as the case may be). Director(s) or shareholder(s) who has potential conflict of interest on the transaction has no right to vote on the transactions.

- The transactions will be disclosed in compliance with relevant SEC/SET regulations, as specified in the Company's Articles of Association.
- The transactions will be disclosed in accordance with accounting standards issued by the Accountants Association.

4. POTENTIAL FUTURE CONNECTED TRANSACTIONS

Future connected transactions are expected to be carried out as long as it provides benefits to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

1. OPERATING RESULTS

1.1 Revenues

Rental and related service income is the Company's main income. Over the past three years, rental and related service income, as compared with total revenues, were approximately 32.9 percent, 29.0 percent and 41.3 percent, respectively. However, income from sales of properties to TFUND/TLOGIS was the major portion of total revenues, representing 62.2 percent, 59.2 percent and 44.3 percent, respectively. The purpose of sales of properties to the funds is to fund the Company's business expansion in response to continuous growing demand for lease.

In some periods, the Company had income from sales of factories to tenants, most of which were under options to buy as specified in the lease contracts. The sales of factories to tenants are unpredictable and depending upon tenants' decisions.

The Company had income relating to TFUND and TLOGIS, including share of profit from investment, property management fee, and realized additional gain on sales of properties. The said revenues vary in accordance with both funds' assets size.

Besides, the Company had revenues from construction services and utility income. These incomes were a small portion of total revenues.

1.1.1 Rental and services income

Over the past three years, rental and services income were Baht 809.2 million, Baht 850.9 million and Baht 880.2 million, respectively. Cost of rental and services for such periods were Baht 198.5 million, Baht 194.5 million and Baht 248.1 million, respectively.

Rental and services income decreased by 0.3 percent in 2009, but increased by 5.1 percent and 3.5 percent in 2010 and 2011, respectively. In 2011, such income increased continuously due to the growing demand in factories and warehouses for rent since 2010, even with the flood effect in October and November in many provinces, including Ayudhya and Pathumthani, where almost half of TICON's factories and warehouses are located. The floods stopped tenants' operations, resulted in the Company's loss of rental and services income of Baht 100.7 million in Q4/2011. Rent collections will be resumed once the damaged factories/warehouses are restored and back in production. Since January 2012, some of the tenants have recommenced paying rent to the Company.

1.1.2 Income from sales of properties to property funds

Over the past three years, the Company had income from sales of properties to TFUND and TLOGIS of Baht 1,530.0 million, Baht 1,737.7 million and Baht 943.5 million, respectively, representing a 30.6 percent decrease, 13.6 percent increase and 45.7 percent decrease, respectively.

The increase in such income in 2010 resulted from the Company's higher capital requirement for its business expansion, in response to the economic recovery.

In 2011, income from the sales dropped from the previous year, as a result of the postponement of the second-tranche sales planned for December 2011. Only the sales to TLOGIS, amounting to Baht 943.5 million, happened in September 2011.

However, sales of properties to property funds each year depend on the Company's funding needs for its business expansion.

1.1.3 Income from sales of properties to tenants

In 2010, the Company had income from sales of 2 factories to tenants amounting to Baht 82.1 million and sales of land to a tenant amounting to Baht 75.1 million. In 2011, the Company sold 2 factories with the selling price of Baht 133.0 million in total.

Sales to tenants do not occur regularly, depending on tenants' decisions on exercising options to buy set as a condition in lease agreements. The gross margin of the sale varies by age, size, specification and location of the factories.

1.1.4 Income relating to associated companies (TFUND and TLOGIS)

- 1) Share of profit from investment in TFUND and TLOGIS, under the equity method, which depends on TICON's stake in both funds, as well as the funds' profit.

Over the past three years, the Company has had a share of profit from investment in associated companies under the equity method of Baht 158.7 million, Baht 168.6 million and Baht 160.8 million, respectively, representing a 83.3 percent and 6.2 percent increase, and 4.6 percent decrease, each year. The rising in the share of profit resulted from an increase in assets under management of the funds, and the Company's greater stake in the funds. However, the share of profit in 2011 reduced from the year before due to the effect of the floods, which led to lower TFUND's and TLOGIS's rents. Without the floods, the share of profit would have

increased, as can be seen from the amount of Baht 142.0 million for the first nine months of 2011, growing from Baht 124.1 million for the same period of 2010.

2) Income from management of properties for TFUND and TLOGIS

Over the past three years, the Company has had property management fees of Baht 77.7 million, Baht 107.5 million, and Baht 113.4 million, respectively. Such income should be higher in the future, due to the Company's policy in offering properties for sales to both funds regularly.

3) Gain on sales of investment in associated companies

In 2009, the Company sold 3.5 million units of its investment in TFUND, so as to reduce its investment portion to be in compliance with the relevant regulations. The Company posted a loss on sales of Baht 2.3 million, recorded as a part of administrative expenses. In addition, the Company sold another 1 million units of its investment in TLOGIS, with a gain on sales of Baht 0.2 million, recorded as a part of other income.

In 2010, the Company sold 42.6 million units of its investment in TFUND. Baht 28 million gain on sales was recorded as a part of other income.

In 2011, the Company sold 2.85 million units of its investment in TLOGIS with a gain on sales of Baht 2 million, recorded as a part of other income.

4) Realized additional gain on sales of properties to TFUND/TLOGIS

A gain may occur when TFUND/TLOGIS sell factories/warehouses acquired from the Company to a third party, or when the Company reduces its stake in TFUND/TLOGIS.

In 2010 and 2011, the Company had such gains of Baht 38.9 million and Baht 3.5 million, respectively. Most of them were from the reductions of the Company's stake in TFUND/TLOGIS. In 2011, the Company reduced its stake in the funds in a lower portion than in 2010.

1.1.5 Other Income

In addition to the income mentioned above, the Company had other income as follows:

1. Income from construction/modification work which was generated from the Company's provision of such work requested by tenants.
2. Utilities income which was generated from the provision of temporary utilities for tenants whilst they were waiting for permanent supplies from the utilities suppliers.

The Company normally has not sought profit from providing such services to tenants.

1.2 Expenses

1.2.1 Selling and administrative expenses

Over the past three years, selling and administrative expenses were Baht 266.5 million, Baht 294.7 million and Baht 326.0 million, respectively, representing a 1.9 percent, 10.6 percent, and 10.6 percent increase each year.

The major portion of selling and administrative expenses were employee relating expenses (including salary, bonus, welfare, travelling, vehicle and training), operating expenses (including office rental and utilities), management benefit expenses, and depreciation of vacant factories/warehouses.

In 2011, selling and administrative expenses rose Baht 31.4 million from the previous year, representing a 10.6 percent increase. The main reason was the change in recording of the depreciation of leased factories and warehouses affected by the floods from cost of rental and services to selling and administrative expenses. In addition, the Company had higher sales commission expenses, following the increase in number of its tenants. Besides, the Company had repair and maintenance expenses for flooded factories/warehouses, and provision for employee benefits expense according to TAS19 - Employee Benefits.

1.2.2 Finance Cost

Over the past three years, finance cost were Baht 293.8 million, Baht 261.4 million and Baht 267.2 million, respectively, representing a 10.3 percent increase, 11.0 percent decrease and 2.2 percent increase, respectively.

Interest expenses were the significant element of finance cost, representing 98.8 percent. The rest were expenses in relation to the provision for financing.

In 2010, even with more borrowing, interest expenses decreased from 2009. The reason was that in that year the Company funded its operations mostly by issuing debentures with coupon rate fixed below the interest rate of traditional long-term loans.

In 2011, interest expenses increased from the previous year due to the Company borrowing more to acquire additional land in several strategic locations, and developing more factories/ warehouses.

1.2.3 Allowance for impairment loss on assets

In 2011, the Company recorded Baht 15.4 million allowance for impairment loss on investment properties under development affected by the floods in late 2011, included in other expenses.

1.3 Profit

1.3.1 Gross profit Margin

The Company had gross profit margin from its operations - rental and sales - over the past three years of 46.5 percent, 54.5 percent and 51.5 percent, respectively.

Gross margin from rental and sales of warehouses are lower than for factories. The sales of only warehouses to TLOGIS in 2009, without any sales of factories, in addition to the growth of leasing out warehouses in 2009, and the sales of factories to TFUND in 2010, without any sales of warehouses, resulted in a lower gross margin in 2009 and a higher gross margin in 2010.

In 2011, the gross margin from operations reduced from the previous year, since the Company had sales of warehouses to TLOGIS while it had no sales of factories to TFUND. Moreover, the 2011 gross margin from rental was also lower, due to the loss of rental and related service income as a result of the floods in the fourth quarter, as well

as some repair and maintenance expenses for factories and warehouses affected by the floods.

1.3.2 Net profit Margin

Over the past three years, the Company's net profit under the equity method, presented in consolidated financial statements, was Baht 653.3 million, Baht 821.1 million and Baht 436.4 million, respectively. Earnings per share were Baht 0.99, Baht 1.22 and Baht 0.57, respectively. Its net profit margins were 26.6 percent, 28.0 percent and 20.5 percent, respectively.

In 2010, the Company's net profit increased by Baht 167.8 million from the previous year due to growth in rental and related service income, sales of properties to property funds, and management fee from the funds, as well as the share of income from investments in the funds. Moreover, the Company had income from sales of properties to tenants, realized additional gain on sales of properties to TFUND, and gain on sales of investment in TFUND, while it had no such income in 2009.

In 2011, the Company's net profit declined by Baht 384.7 million, representing a 46.9 percent decrease from the previous year. The main reasons were the reduction in income from sales of properties to property funds, as well as its reduced gross margin. In addition, there was a drop in gross margin from rental affected by the floods, a decrease in realized additional gain on sales of properties to TFUND and TLOGIS, an increase in selling and administrative expenses, as well as the allowance for impairment loss on investment properties, as already mentioned. Furthermore, the Company had an additional corporate income tax of Baht 72.0 million as a result of the adjustment in deferred tax calculation, details of which are provided in item no. 2.1.6 (Deferred tax assets).

2. FINANCIAL STATUS

2.1 Assets

At the end of 2011, the Company had total assets of Baht 15,288.7 million. 71.9 percent of the assets were land and factory/warehouse buildings, comprising land and factories/warehouses under development and available for rent, accounted for 30.6 percent of total assets, and land and leased factories/warehouses, accounted for 41.3 percent of total assets.

The Company's total assets rose by Baht 2,804.1 million, a 22.5 percent increase from the previous year. This mainly resulted from the substantial increase in factories/warehouses

development, as well as land acquisition in several strategic locations, to respond to increased demand.

2.1.1 Property under development / available for rent / for rent

During the past three years, the Company had property under development, available for rent, and property for rent totaling Baht 8,683.0 million, Baht 9,170.7 million, and Baht 11,497.3 million, respectively. Those in 2010 and 2011 included Baht 507.5 million property under development recorded as property, plant and equipment.

The 5.6 percent increase in the properties - net of those sold to TFUND - in 2010 was due mainly to more development of factories/warehouses to serve growing demand. The reduction in the properties in 2009 - net of those sold to TLOGIS - resulted from the slowdown of the construction during the economic crisis started in 2008.

At the end of 2011, such properties - net of those sold to TLOGIS - grew by 25.4 percent, as a result of more development of factories/warehouses in response to higher demand, especially demand for logistics warehouses as distribution centers for consumer products and auto parts. In addition, the Company acquired land in several strategic locations to accommodate its business expansion, particularly in the eastern part of Thailand. Besides, the Company made less sales to property fund during the year.

2.1.2 Current investments

At the end of 2011, the Company had current investments of Baht 950 million, increased by Baht 102.6 million, or 12.1 percent.

All current investments as at December 31, 2011 were Bills of Exchange issued by domestic commercial banks, considered as low risk. Such investment is a good alternative for the Company to manage its cash. Also, it provides the Company with higher returns than those from savings deposits.

2.1.3 Accounts receivable - net

At the end of 2011, the Company had net accounts receivable of Baht 98.0 million, rising by Baht 71.5 million. This mainly resulted from a Baht 45.1 million increase in unbilled operating leases receivables, which were recorded from the difference between average rental fees per month throughout lease agreements and the actual rental fees. Such receivables rose in accordance with the greater numbers of lease

agreements. The higher trade accounts receivable of Baht 26.4 million, resulted from the flood effect incident, and was also included in the accounts receivable.

However, the Company has a policy of holding security deposits of three to six months rental and service fee to help mitigating risks that could arise in the future.

2.1.4 Pledged fixed deposit

At the end of 2011, the Company had a fixed deposit of Baht 40.4 million. The deposit has been pledged with a bank as collateral for facilities, comprising letters of credit and trust receipts (together with pre-settlement risk lines) as well as letters of guarantees issued in favor of a government entity, state enterprises and private companies.

2.1.5 Investment

At the end of 2011, TICON had investments in subsidiaries, associated and related companies as follows:

- a. Investment in Eco Industrial Services Co., Ltd. (a subsidiary) of 100 percent of its paid-up capital, with the investment amount under the cost method of Baht 50.0 million, representing 0.3 percent of the Company's total assets.
- b. Investment in TICON Logistics Park Co., Ltd. (a subsidiary) of 100 percent of its paid-up capital, with the investment amount under the cost method of Baht 2,515.0 million, representing 16.5 percent of the Company's total assets.
- c. Investment in Shanghai TICON Investment Management Co., Ltd. (a subsidiary) of 100 percent of its paid-up capital, with the investment amount under the cost method of Baht 24.8 million, representing 0.2 percent of the Company's total assets.
- d. Investment in TICON Property Fund (an associated company) of 28.02 percent of the fund's capital. The investment amount under the equity method was Baht 1,548.6 million, representing 10.1 percent of the Company's consolidated total assets, and the investment amount under the cost method was Baht 2,670.2 million, or 17.3 percent of the Company's total assets.
- e. Investment in TPARK Logistics Property Fund (an associated company) of 20.43 percent of the fund's capital. The investment amount under the equity method was Baht 349.3 million, representing 2.3 percent of the Company's consolidated total

assets, and the investment amount under the cost method was Baht 509.3 million, or 3.3 percent of the Company's total assets.

- f. Investment in Bangkok Club Co., Ltd. (a related company) of 0.11 percent of its registered capital, with the investment amount net of allowance for impairment of Baht 0.26 million.

2.1.6 Deferred tax assets

At the end of 2011, the Company had deferred tax assets of Baht 202.1 million, most of which related to corporate income tax entitlement in respect of unrealized gain from sales of properties to TFUND/TLOGIS.

Corporate income tax relating to the gain on sales recorded in the Company's income statements excluded a certain amount of the tax at the same percentage as TICON's stake in TFUND/TLOGIS, even where the full amount of the tax was already paid in cash. The difference between the tax paid in cash and the tax recorded in the income statements was the deferred tax assets. In the event that the Company realizes additional gain on sales of properties to TFUND/TLOGIS, the deferred tax assets will be reduced proportionately.

In December 2011, the government issued a Royal Decree in relation to the corporate income tax reduction. The Company will benefit from the reduction in the tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013-2014. The Company reflected such changes in its deferred tax calculation which led to additional corporate income tax of Baht 72.0 million. However, the adjustment was made in accordance with accounting principle, and has not affected the Company's cash flow.

2.1.7 Deposit for land acquisition

At the end of 2011, the Company had a deposit for land acquisition of Baht 261.1 million. The deposit was paid according to agreements to purchase land from sellers.

2.2 Liabilities

At the end of 2011, the Company had total liabilities of Baht 9,548.5 million, increased by Baht 2,660.9 million, or 38.6 percent, from those of 2010.

The majority of total liabilities were loans (including debentures), representing 74.9 percent of total liabilities. The increase in total liabilities resulted from the following elements:

2.2.1 Loans

Total loans at the end of 2011 were Baht 8,756.6 million, increased by Baht 2,583.4 million, or 41.8 percent, from 2010. This substantial increase was due mainly to the Company's greater construction and land acquisition programs.

The Company's total loans comprised short-term loans of 18.4 percent, long-term loans of 11.4 percent, and debentures of 70.2 percent.

Cash flow from operations and long-term loans, as well as debentures, are the Company's source of funds for factory/warehouse development which is considered as a long-term investment. The Company likewise uses short-term loans facilities for working capital, particularly for land acquisition during the period of applying for long-term credit lines from financial institutions. However, the large amount of short-term loans outstanding at any point of time depends mainly on the Company's cash flow management. The Audit Committee has regularly monitored the appropriateness of the ratio of short-term to total loans.

During the past three years, the Company issued debentures totaling Baht 6,150 million. At the end of 2011, the outstanding balance of the debentures was Baht 6,150 million. All debentures' tenors ranged from 3 to 7 years. The total proceeds were used for the Company's business expansion and repayment of some portion of loans.

The Company has agreements with some financial institutions and debenture holders in respect of retaining debt to equity of not exceeding 2.5 times.

2.2.2 Accounts Payable

At the end of 2011, the Company had accounts payable of Baht 249.4 million. 93.0 percent of total accounts payable related to the Company's construction.

Accounts payable increased by Baht 136.5 million from the previous year, due to the Company's growth in factory/warehouse development during the year.

2.2.3 Provision for long-term employee benefits

At the end of 2011, the Company had Baht 18.9 million provision for long-term employee benefits which was the estimation of the Company's obligation to compensate employees on their retirement.

For the first-time adoption of TAS19 - Employee Benefits, the Company chose to recognize the transitional liability by way of recording accumulated amount until the end of 2010 through an adjustment to the beginning balance of its 2011 retained earnings, and recording provision for employee benefits in 2011 as expenses.

2.2.4 Corporate income tax payable

At the end of 2011, the Company had corporate income tax payable of Baht 24.9 million, decreased by Baht 204.2 million, or 89.1 percent, from the previous year. This resulted from the reduction in income from sales of properties to property funds. In addition, the Company has benefited from tax exemption on some portions of profit from sales of warehouses to TLOGIS in September.

2.3 Shareholders' Equity

At the end of 2011, the Company had shareholders' equity of Baht 5,740.2 million, increased by Baht 143.2 million, representing a 2.6 percent increase from the previous year. The shareholders' equity rose marginally as a result of the reduction in retained earnings due to a high dividend payment during the year, which offset a certain portion of the increase in paid-up capital due to the exercises of TICON-W4 and the 2011 net profit which was lower than 2010's.

2.4 Appropriateness of the Company's Capital Structure

In the past, the Company's main sources of funds for factories and warehouses development were operating cash flow, shareholders' capital injection and loans from financial institutions. However, with its strong growth during the past 6-7 years, the Company participated in establishing TFUND in 2005 and TLOGIS in 2009 in order to increase its abilities in raising more funds. Proceeds from sales of properties to these property funds each year help reduce reliance on loan borrowing and capital increase.

In addition, during the past 4-5 years the Company has issued debentures with tenors of 3 to 7 years. Issuing debentures is another important source of funds for the Company.

However, with the strong growth of business, the Company foresaw a higher debt to equity ratio in the next few years, in the absence of raising new capital. In 2009, the Company therefore decided to issue 219,353,636 warrants (TICON-W3) and 109,677,073 warrants (TICON-W4) to existing shareholders and 32,883,000 warrants (TICON-W5) to the directors and employees. In the event that all warrants are exercised in full, the Company shall receive proceeds of approximately Baht 5,528 million in total.

At the end of 2011, the Company had a debt to equity ratio of 1.66 to 1.

2.5 Liquidity

In 2011, the Company had net cash received from operations amounting to Baht 965.9 million, net cash used for investment of Baht 2,963.7 million, and net cash received from financing of Baht 2,301.4 million.

The information as mentioned above shows that the Company has sufficient liquidity for its operations each year as planned. (A low current ratio does not reflect the Company's liquidity. Most of TICON's assets are land and factory buildings which are not classified as current assets, whereas accounts payable for the acquisition of land and construction are considered as current liabilities.)

In 2011, the Company had an interest coverage ratio, calculated from:

$$\frac{\text{Net profit} + \text{Interest expenses} + \text{Corporate income tax} + \text{Deferred gain on sales of properties to associated companies}}{\text{Interest expenses}}$$

and a debt service coverage ratio, calculated from:

$$\frac{\text{Net cash flows from operating activities} + \text{Interest expenses}}{\text{Repayment of long-term loans and debentures} + \text{Dividend paid} + \text{Interest expenses}}$$

of 3.62 times and 0.43 times, respectively. However, an interest coverage ratio in 2011, equaling 3.62 times, reflected the Company's high ability to service its finance cost. The Company has never defaulted on any interest payment. However, in 2011, both ratios decreased from the previous year due to lower revenues from sales of properties to property funds.

3. FUTURE PROSPECTS

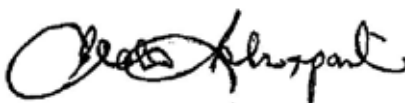
- Please see " Message from the Chairman of the Board " -

STATEMENT OF DIRECTORS' RESPONSIBILITIES CONCERNING THE COMPANY'S FINANCIAL REPORT

The TICON's Board of Directors had the management prepare financial statements to reveal the Company's financial position and operating results of the year 2010 in accordance with the Public Limited Companies Act B.E. 2535.

The Board of Directors is well aware of its duties and responsibilities as the directors of a listed company in the Stock Exchange of Thailand to ensure that TICON's financial statements are accurate, complete, and transparent in accordance with generally accepted accounting principles, while providing adequate information to safeguard the Company's assets from unlawful conduct and abnormalities which is for the benefit of shareholders and investors to have true and fair information.

The Board of Directors is of the opinion that the consolidated financial statements of TICON and Subsidiaries for the year 2011 reviewed by the Audit Committee in collaboration with the Management and the external auditor, Ernst & Young Office Limited, were presented in a complete, true and fair manner in compliance with the generally accepted accounting principles and all governing rules and regulations, with appropriate and consistent accounting policies and adequate information disclosure.



(Mr. Chali Sophonpanich)
Chairman of the Board

TICON Industrial Connection Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2011 and 2010

Report of Independent Auditor

To the Shareholders of TICON Industrial Connection Public Company Limited

I have audited the accompanying consolidated statements of financial position of TICON Industrial Connection Public Company Limited and its subsidiaries as at 31 December 2011 and 2010, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and have also audited the separate financial statements of TICON Industrial Connection Public Company Limited for the same years. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TICON Industrial Connection Public Company Limited and its subsidiaries and of TICON Industrial Connection Public Company Limited as at 31 December 2011 and 2010, and the results of their operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to Note 3 to the financial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements.



Rungrapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 28 February 2012

TICON Industrial Connection Public Company Limited and its subsidiaries
Statements of financial position
As at 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Assets					
Current assets					
Cash and cash equivalents	8, 9	136,828,636	183,233,971	66,255,173	153,374,940
Current investments	8, 10	950,000,000	847,370,315	950,000,000	847,370,315
Trade and other receivables	8, 11	106,896,151	41,592,453	60,164,312	130,923,061
Other current assets	8	62,046,957	45,970,307	36,722,934	27,670,294
Total current assets		1,255,771,744	1,118,167,046	1,113,142,419	1,159,338,610
Non-current assets					
Pledged deposits at financial institutions	8, 12	40,437,880	10,858,640	128,000	128,000
Unbilled operating leases receivables		18,151,847	16,679,242	4,673,556	9,352,412
Long-term loans to related company	8	-	-	3,141,068,000	1,397,095,250
Investments in subsidiaries	13	-	-	2,589,775,840	2,577,775,840
Investment in associates	14	1,897,879,326	1,820,709,679	3,179,458,535	2,972,099,177
Investment in related company		256,500	256,500	256,500	256,500
Investment properties under development					
available for rent/sale	15.1	4,674,387,371	4,742,156,103	1,408,763,620	1,979,741,030
Investment properties for rent	15.2	6,315,462,916	3,921,053,800	3,822,487,108	2,757,811,326
Property, plant and equipment	16	597,022,660	564,851,129	16,805,919	11,931,224
Computer software	17	10,747,818	12,914,544	9,098,532	10,941,782
Deferred tax assets	27	202,126,176	258,457,986	9,147,032	3,592,986
Deposit for purchase property	8	261,133,740	5,081,480	102,756,210	-
Other non-current assets	8	15,352,659	13,443,592	13,967,158	12,979,949
Total non-current assets		14,032,958,893	11,366,462,695	14,298,386,010	11,733,705,476
Total assets		15,288,730,637	12,484,629,741	15,411,528,429	12,893,044,086

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)
As at 31 December 2011 and 2010

(Unit: Baht)

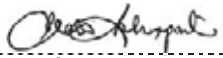

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans and liabilities under trust receipts	8, 18	1,606,095,688	1,715,647	1,520,095,688	1,715,647
Trade and other payables	8, 19	329,333,405	196,065,335	141,993,218	128,555,904
Current portion of long-term loans					
from related party	8	239,144,000	157,144,000	239,144,000	157,144,000
Current portion of debentures	21	850,000,000	1,000,000,000	850,000,000	1,000,000,000
Current portion of liability under financial lease agreement		-	3,153,854	-	3,153,854
Income tax payable		24,904,704	229,063,331	7,551,988	227,376,132
Other current liabilities	8	18,600,000	14,374,611	13,007,443	13,371,328
Total current liabilities		3,068,077,797	1,601,516,778	2,771,792,337	1,531,316,865
Non-current liabilities					
Long-term loans from related party	8	761,390,000	864,334,000	761,390,000	864,334,000
Debentures	21	5,300,000,000	4,150,000,000	5,300,000,000	4,150,000,000
Provision for long-term employee benefits	22	18,933,529	-	16,167,379	-
Deferred tax liabilities	27	7,436,150	7,130,308	7,058,114	5,283,913
Customer deposits		392,699,557	264,657,266	271,726,333	206,875,182
Total non-current liabilities		6,480,459,236	5,286,121,574	6,356,341,826	5,226,493,095
Total liabilities		9,548,537,033	6,887,638,352	9,128,134,163	6,757,809,960

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)
As at 31 December 2011 and 2010

				(Unit: Baht)	
		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Shareholders' equity					
Share capital					
Registered					
1,117,252,920 ordinary shares of Baht 1 each					
(2010: 1,037,252,920 ordinary shares of Baht 1 each)					
	23	1,117,252,920	1,037,252,920	1,117,252,920	1,037,252,920
Issued and paid up					
781,005,203 ordinary shares of Baht 1 each					
(2010: 686,345,728 ordinary shares of Baht 1 each)					
	23	781,005,203	686,345,728	781,005,203	686,345,728
Cash receipts from share subscription		-	105,587,553	-	105,587,553
Premium on ordinary shares	23	3,510,089,029	2,857,905,222	3,510,089,029	2,857,905,222
Retained earnings					
Appropriated - statutory reserve					
	25	111,725,292	103,725,292	111,725,292	103,725,292
Unappropriated					
		1,356,459,618	1,863,884,264	1,880,574,742	2,381,670,331
Other components of shareholders equity		(19,085,574)	(20,456,768)	-	-
Equity attributable to owners of the Company		5,740,193,568	5,596,991,291	6,283,394,266	6,135,234,126
Non controlling interests of subsidiaries		36	98	-	-
Total shareholders' equity		5,740,193,604	5,596,991,389	6,283,394,266	6,135,234,126
Total liabilities and shareholders' equity		15,288,730,637	12,484,629,741	15,411,528,429	12,893,044,086

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



 Directors



TICON Industrial Connection Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Revenues					
Rental and related service income	8	880,228,726	850,872,730	574,875,436	657,354,046
Revenues from construction services	8	21,574,136	20,628,524	21,032,089	21,658,221
Sales of properties to unrelated parties		132,971,250	157,176,750	132,971,250	157,176,750
Sales of properties to related parties	8	943,500,000	1,737,747,003	49,297,875	1,737,747,003
Utility income		20,589,950	16,523,867	9,709,791	8,630,458
Dividend income from subsidiary	8, 13	-	-	32,499,896	17,499,944
Dividend income from associates	8, 14	-	-	231,881,463	205,042,013
Management fee income from associates	8	113,444,855	107,490,798	110,781,476	105,135,556
Other income	8	19,084,030	43,011,629	113,266,413	65,949,035
Total revenues		2,131,392,947	2,933,451,301	1,276,315,689	2,976,193,026
Expenses					
Cost of rental and related services		248,122,183	194,494,616	130,322,949	134,194,250
Cost of construction services		18,978,648	15,904,898	18,666,929	15,700,244
Cost of sales of properties to unrelated parties		63,600,689	95,665,141	63,600,689	95,665,141
Cost of sales of properties to related parties		636,992,902	959,254,316	34,919,620	959,254,316
Cost of utilities		20,589,950	16,523,867	9,709,791	8,630,458
Selling expenses		19,039,667	13,727,077	10,010,841	8,756,174
Administrative expenses	8	214,093,176	190,040,605	165,279,551	156,264,417
Depreciation		92,907,242	90,912,400	41,633,275	39,529,889
Other expenses		15,552,636	4,922,550	15,532,808	4,918,710
Total expenses		1,329,877,093	1,581,445,470	489,676,453	1,422,913,599
Profit before share of income from investments in associates, finance cost and corporate income tax					
		801,515,854	1,352,005,831	786,639,236	1,553,279,427
Share of income from investments in associates	14	160,801,083	168,587,006	-	-
Realised additional gain on sales of properties to associate	14	3,519,425	38,900,885	-	-
Deferred gain on sales of properties to associates	14	(63,198,756)	(219,029,009)	-	-
Profit before finance cost and corporate income tax					
		902,637,606	1,340,464,713	786,639,236	1,553,279,427
Finance cost	8	(267,152,212)	(261,438,014)	(263,572,629)	(260,642,293)
Profit before corporate income tax		635,485,394	1,079,026,699	523,066,607	1,292,637,134
Corporate income tax	27	(199,092,530)	(257,928,090)	(81,968,156)	(304,714,606)
Profit for the year		436,392,864	821,098,609	441,098,451	987,922,528
Profit attributable to:					
Equity holders of the Company		436,392,822	821,098,579	441,098,451	987,922,528
Non-controlling interests of the subsidiaries		42	30		
		436,392,864	821,098,609		
Earnings per share					
	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.57	1.22	0.58	1.47
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.56	1.15	0.56	1.38

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

TICON Industrial Connection Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the year	<u>436,392,864</u>	<u>821,098,609</u>	<u>441,098,451</u>	<u>987,922,528</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	<u>1,371,194</u>	<u>(406,768)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the year	<u>1,371,194</u>	<u>(406,768)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>437,764,058</u></u>	<u><u>820,691,841</u></u>	<u><u>441,098,451</u></u>	<u><u>987,922,528</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>437,764,016</u>	<u>820,691,811</u>	<u>441,098,451</u>	<u>987,922,528</u>
Non-controlling interests of the subsidiaries	<u>42</u>	<u>30</u>	<u>-</u>	<u>-</u>
	<u><u>437,764,058</u></u>	<u><u>820,691,841</u></u>	<u><u>441,098,451</u></u>	<u><u>987,922,528</u></u>

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

(Unit: Baht)

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

TICON Industrial Connection Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the years ended 31 December 2011 and 2010

	Separate financial statements					(Unit: Baht)	
	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	659,854,052	2,935,785	2,666,601,182	103,725,292	1,931,470,534	5,364,586,845	
Converted right to purchase ordinary shares to share capital	26,491,676	-	191,304,040	-	-	217,795,716	
Cash receipts from share subscription	-	102,651,768	-	-	-	102,651,768	
Dividend paid (Note 32)	-	-	-	-	(537,722,731)	(537,722,731)	
Total comprehensive income for the year	-	-	-	-	987,922,528	987,922,528	
Balance as at 31 December 2010	<u>686,345,728</u>	<u>105,587,553</u>	<u>2,857,905,222</u>	<u>103,725,292</u>	<u>2,381,670,331</u>	<u>6,135,234,126</u>	
Balance as at 31 December 2010	686,345,728	105,587,553	2,857,905,222	103,725,292	2,381,670,331	6,135,234,126	
Cumulative effect of changes in accounting policy for employee benefits - net deferred tax assets (Note 3 and 5)	-	-	-	-	(9,856,943)	(9,856,943)	
Converted right to purchase ordinary shares to share capital (Note 23)	94,659,475	-	652,183,807	-	-	746,843,282	
Cash receipts from share subscription transferred to share capital during the year	-	(105,587,553)	-	-	-	(105,587,553)	
Dividend paid (Note 32)	-	-	-	-	(924,337,097)	(924,337,097)	
Total comprehensive income for the year	-	-	-	-	441,098,451	441,098,451	
Unappropriated retained earnings transferred to statutory reserve	-	-	-	8,000,000	(8,000,000)	-	
Balance as at 31 December 2011	<u>781,005,203</u>	<u>-</u>	<u>3,510,089,029</u>	<u>111,725,292</u>	<u>1,880,574,742</u>	<u>6,283,394,266</u>	

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

TICON Industrial Connection Public Company Limited and its subsidiaries
Cash flow statements
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	635,485,394	1,079,026,699	523,066,607	1,292,637,134
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	303,188,277	265,172,583	153,167,197	161,023,250
Allowance for doubtful accounts	111,679	4,918,623	111,679	4,918,623
Dividend income from subsidiary	-	-	(32,499,896)	(17,499,944)
Dividend income from associates	-	-	(231,881,463)	(205,042,013)
Cost of properties sold	667,819,464	994,814,478	96,743,238	994,814,478
Gain on sales/write-off of assets	(350,406)	(312,476)	(675,240)	(324,754)
Allowance for impairment loss on investment properties under development	15,420,000	-	15,420,000	-
Gain from sales of investments in associates	(2,565,000)	(27,984,490)	(1,995,000)	(7,974,576)
Provision for long-term employee benefits	2,532,997	-	2,086,033	-
Share of income from investments in associates	(160,801,083)	(168,587,006)	-	-
Realised additional gain on sales of properties to associated company	(3,519,425)	(38,900,885)	-	-
Deferred gain on sales of properties to associates	63,198,756	219,029,009	-	-
Interest income	(12,061,206)	(4,514,076)	(103,070,254)	(40,408,363)
Interest expense	263,941,653	253,328,179	260,362,070	252,542,462
Income from operating activities before changes in operating assets and liabilities	1,772,401,100	2,575,990,638	680,834,971	2,434,686,297
Operating assets (increase) decrease				
Trade and other receivables	(66,677,571)	(35,332,315)	73,941,361	(108,863,068)
Other current assets	(12,879,569)	(28,092,679)	(5,855,560)	(12,158,226)
Deposit for purchase property	(256,052,260)	-	(102,756,210)	-
Other non-current assets	(1,909,067)	4,859,983	(987,209)	98,478
Operating liabilities increase (decrease)				
Other payables	5,697,238	6,453,074	(11,913,980)	12,685,845
Other current liabilities	4,225,389	(2,442,461)	(363,885)	(4,149,324)
Customer deposits	128,042,291	2,978,224	64,851,151	(24,783,654)
Cash flows from operating activities	1,572,847,551	2,524,414,464	697,750,639	2,297,516,348
Interest received	11,850,795	4,514,076	10,954,818	4,402,134
Cash paid for interest expense	(277,085,407)	(241,131,111)	(273,505,825)	(240,345,394)
Cash paid for corporate income tax	(341,693,346)	(78,629,757)	(301,347,741)	(73,695,104)
Net cash flows from operating activities	965,919,593	2,209,167,672	133,851,891	1,987,877,984

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

TICON Industrial Connection Public Company Limited and its subsidiaries
Cash flow statements (continued)
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Decrease (increase) in current investments	248,631,573	(248,631,573)	248,631,573	(248,631,573)
Increase in investment in associates	(237,284,358)	(531,586,716)	(237,284,358)	(531,586,716)
Increase in investment in subsidiary	-	-	(12,000,000)	(12,776,000)
Proceeds from sale of investments in associates	31,920,000	445,633,240	31,920,000	445,633,240
(Increase) decrease in pledged deposits at financial institutions	(29,579,240)	800,000	-	-
Cash received from long-term loans to subsidiary	-	-	1,243,604,100	266,500,000
Cash paid for long-term loans to subsidiary	-	-	(2,987,576,850)	(1,471,800,100)
Cash paid for acquisition of investment properties under development and available for rent/sale	(3,189,290,976)	(1,739,984,934)	(715,464,461)	(418,211,049)
Cash paid for acquisition property, plant and equipment	(19,604,738)	(6,190,257)	(15,376,794)	(3,913,697)
Cash paid for acquisition in computer software	(2,949,917)	(2,385,392)	(2,486,453)	(2,210,801)
Interest income from subsidiary	-	-	93,500,000	34,700,000
Dividend received from subsidiary	-	-	32,499,896	17,499,944
Dividend received from associates	231,881,463	205,042,013	231,881,463	205,042,013
Proceeds from sales of equipment	2,578,406	482,463	2,987,855	482,463
Proceeds from sales of computer software	-	-	38,186	2,097,835
Net cash flows used in investing activities	(2,963,697,787)	(1,876,821,156)	(2,085,125,843)	(1,717,174,441)
Cash flows from financing activities				
Increase (decrease) in short-term loans and liabilities under trust receipts	1,604,380,041	(158,284,353)	1,518,380,041	(158,284,353)
Proceeds from long-term loans	558,600,000	-	280,000,000	-
Proceeds from issuance of debentures	2,000,000,000	2,300,000,000	2,000,000,000	2,300,000,000
Proceeds from long-term loans from related party	136,200,000	105,360,000	136,200,000	105,360,000
Repayment of long-term loans from related party	(157,144,000)	(691,304,427)	(157,144,000)	(691,304,427)
Repayment of long-term loans	(558,600,000)	(501,448,903)	(280,000,000)	(447,797,265)
Redemption of debentures	(1,000,000,000)	(500,000,000)	(1,000,000,000)	(500,000,000)
Cash received from share subscription	641,255,729	320,447,484	641,255,729	320,447,484
Dividend paid	(923,276,431)	(537,568,274)	(923,276,327)	(537,568,218)
Net cash flows from financing activities	2,301,415,339	337,201,527	2,215,415,443	390,853,221
Increase (decrease) in translation adjustment	1,218,778	(406,414)	-	-
Net increase in cash and cash equivalents	304,855,923	669,141,629	264,141,491	661,556,764
Cash and cash equivalents at beginning of year	781,972,713	112,831,084	752,113,682	90,556,918
Cash and cash equivalents at end of year (Note 9)	1,086,828,636	781,972,713	1,016,255,173	752,113,682
Supplemental cash flows information: -				
Cash paid during the year for:				
Interest capitalised to related assets	12,488,845	1,216,562	12,225,599	1,216,562
Non-cash items: -				
Transfer of investment properties under development and available for rent/sale and investment property for rent to be cost of sales of properties	666,074,629	994,814,478	96,743,238	994,814,478
Transfer of investment properties under development to property, plant and equipment	-	504,004,161	-	-
Purchase of investment properties for which no cash has been paid	249,381,288	116,078,407	77,908,926	46,825,582
Adjustment of provision for long-term employee benefits with the beginning balance of retained earning - net	11,480,371	-	9,856,943	-

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

TICON Industrial Connection Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the years ended 31 December 2011 and 2010

1. GENERAL 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.

2. BASIS OF PREPARATION

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547, except for the Thai Accounting standard No. 12 regarding “Income Taxes” which the Company and subsidiaries had early adopted before the date of enforcement.

The presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of TICON Industrial Connection Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company	Country of incorporation	Nature of business	Percentage of Shareholding	
			<u>2011</u> (Percent)	<u>2010</u> (Percent)
ECO Industrial Services Company Limited	Thailand	Development of real estate, development of factories for rent	99.99	99.99
TICON Logistics Park Company Limited	Thailand	Development of real estate, development of warehouse for rent/sale	99.99	99.99
Shanghai TICON Investment Management Company Limited	China	Fund management	100.00	100.00

On 19 July 2010, the Company established a wholly owned subsidiary in China named Shanghai TICON Investment Management Company Limited, to explore new business in China. The subsidiary has a registered share capital of USD 2 million and the Company's shareholding is 100 percent. The Company made first payment of share capital, amounting to USD 0.4 million, or Baht 13 million, on 16 August 2010. On 2 September 2011, the Company made the second payment of share capital, amounting to USD 0.4 million, or Baht 12 million. The share capital of that company was 40 percent paid up.

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of oversea subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statements of financial position.

2.3 The separate financial statements, which present investments in subsidiaries and associated company presented under the cost method, have been prepared solely for the benefit of the public.

3. ADOPTION OF NEW ACCOUNTING STANDARDS DURING THE YEAR

During the current year, 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
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the following accounting standard.

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 and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have 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 year. The change has the effect of decreasing the profit of the Company and its subsidiaries for the year 2011 by Baht 3 million, (0.003 Baht per share) (Separate financial statements: decreasing profit by Baht 2 million, or 0.003 Baht per share). The cumulative effect of the changes in the accounting policy has been presented in Note 5 to the financial statements.

4. NEW ACCOUNTING STANDARDS ISSUED DURING THE YEARS NOT YET EFFECTIVE

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

5. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY DUE TO THE ADOPTION OF NEW ACCOUNTING STANDARD

During the current year, the Company and its subsidiaries changed its significant accounting policy, described in Note 3 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 million (Separate financial statements: decreasing retained earnings by Baht 10 million), net of deferred tax assets of Baht 5 million (Separate financial statements: Baht 4 million). The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Revenue recognition

Sales

Sales are recognised in full when the Company has transferred the significant risks and rewards of ownership to the buyer.

Rental and related service income

Rental and related service income are recognised as revenue in profit and loss on a straight line basis over the lease term. The recognised revenue which is not yet due per the operating lease agreements has been presented under the caption of “Unbilled operating leases receivables” at the end of reporting period.

Revenues from construction services

Revenues from construction services are recognised based on percentage of completion method. The percentage of completion measured by the proportion of actual development costs incurred up to the end of the period and the total anticipated development cost to be incurred to completion.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

6.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

6.4 Investments

- a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

6.5 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 (if any).

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

6.6 Property plant and equipment/depreciation

Land is stated cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	20	years
Land improvement	20	years
Others	5	years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

6.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.8 Intangible assets

Intangible assets acquired intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit and loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 and 5 years

6.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

6.10 Long-term agreement

The Company and its subsidiaries as a lessor.

Leases which the Company and its subsidiaries transfer substantially all the risks and rewards of ownership are classified as finance leases. Amounts due from leasees under financial leases are recorded as receivables at the amount of the Company and its subsidiaries' net investment in leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company and its subsidiaries' net investment outstanding in respect of the leases.

Lease of assets not transferred a significant portion of risks and rewards of ownership to lessee are classified as operating leases. Operating lease income is recognised in profit and loss on a straight line basis over the lease term.

6.11 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

6.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment or intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit and loss.

6.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributable to the social security fund are recognised as expenses when incurred.

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.

Defined benefit plans

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

Actuarial gains and losses arising from post-employment benefits are recognized immediately in profit and loss.

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 year.

6.14 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

6.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

7. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

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

Allowance for doubtful accounts

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

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of securities investments

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Impairment of investment in subsidiaries and associates

The Company treats investment in subsidiaries and associates as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Investment properties for rent/sale, Investment properties for rent, and property plant and equipment/ depreciation

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

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

Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

8. RELATED PARTY TRANSACTIONS

During the years, 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: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of land	-	-	49	-	Closed to appraisal value
Management fee income	-	-	1	4	2% of rental and service income of subsidiaries
Construction fee income	-	-	4	5	2% of construction expense of subsidiary which occurred during the year
Interest income	-	-	92	36	MLR of a related bank and the average interest rate of debentures issued during the third quarter of 2010 plus certain rate
Dividend income	-	-	32	17	As declared
Land rental income	-	-	5	5	4% of acquired cost
Sales of computer program	-	-	-	2	Net book value
Revenues from construction services	-	-	-	1	Contract amount
Management fee	-	-	5	5	3% of rental and service income of associated
<u>Transactions with associates</u>					
Sales of land and factory buildings	-	1,738	-	1,738	Close to appraisal value as mentioned in Note 14.2
Management fee income from TICON Property Fund	91	90	91	90	4% of rental and service of the associates, plus an incentive fee of 0 - 19.5% of gross operating profit, by lease commission for 2 months of rental and service fee and by sales at maximum of 3 percent of sales value
Management fee income from TPARK Logistics Property Fund	20	15	20	15	55% of the gross rental and service fees of the associates less the guaranteed amount, direct expense in relation to the property management and other reserve until the end of year 2016. After that 3% of the gross rentals and services plus incentive fees computed at rate between 0%-10% of gross operating profit.
Assurance for rental and service income	-	1	-	1	Normal commercial price
Dividend income	-	-	232	205	As declared
Revenues from construction services	2	2	2	2	Contract amount

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with related companies</u>					
Office rental and related fees	15	14	13	13	Normal commercial price
Interest income	2	-	1	-	Market rate
Interest expense	46	57	46	57	MLR minus certain rates
<u>Transactions between subsidiary and associates</u>					
Sales of land and warehouse buildings	944	-	-	-	Closed to appraisal value as mentioned in Note 14.2
Management fee income from TICON Property Fund	2	2	-	-	2% of rental and service of the associates, plus an incentive fee of 0.5 - 10.5% of gross operating profit, by lease commission for 2 months of rental and service fee and by sales at maximum of 3 percent of sales value
Common area service fees	-	2	-	-	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	20.43%
Rojana Industrial Park Public Company Limited	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 December 2011 and 2010, the balance of accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash at bank (presented under cash and cash equivalents)				
Related companies (related by close family member of a director of the Company)	117,095	154,530	60,893	134,003
Current investments				
Related companies (related by close family member of a director of the Company)	350,000	-	350,000	-
Other receivables - related parties (Note 11)				
Subsidiaries	-	-	3,265	96,291
Associated companies	5,837	14,396	5,305	13,500
Total	5,837	14,396	8,570	109,791
Interest receivables (presented under trade and other receivables) (Note 11)				
Subsidiaries	-	-	76	1,671
Related companies (related by close family member of a director of the Company)	57	-	57	-
Total	57	-	133	1,671
Other advance (presented under other current assets)				
Associated companies	3,587	-	3,587	-
Pledged deposits at financial institutions				
Related companies (related by close family member of a director of the Company)	40,438	10,859	128	128
Long-term loans to related party				
Subsidiaries	-	-	3,141,068	1,397,095
Deposit for purchase property				
Related companies (Shareholder / Co-Director)	12,825	-	12,825	-
Refundable deposits (presented under other non-current assets)				
Related companies (related by Common shareholder)	3,705	3,705	3,705	3,705
Other payables - related parties (Note 19)				
Subsidiaries	-	-	2,142	8,241
Associated companies	-	315	-	315
Total	-	315	2,142	8,556

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Interest payable (presented under trade and other payables) (Note 19)				
Relate companies (related by close family member of a director of the Company)	<u>142</u>	<u>126</u>	<u>142</u>	<u>126</u>
Accrued expenses (presented under Trade and other payables) (Note 19)				
Related companies (Common shareholder)	98	106	98	106
Related companies (related by close family)				
Member of a director of the Company	<u>1,605</u>	<u>-</u>	<u>1,605</u>	<u>-</u>
Total	<u>1,703</u>	<u>106</u>	<u>1,703</u>	<u>106</u>
Unearned land rental income (presented under other current liabilities)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>3,281</u>	<u>3,281</u>
Unearned equipment rental income (presented under other current liabilities)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>139</u>	<u>105</u>
Short-term loans from related party				
Related company (related by close family member of a director of the Company)	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Long-term loans from related party				
Related company (related by close family member of a director of the Company)				
Long-term loans	1,000,534	1,021,478	1,000,534	1,021,478
Less: Current portion of long-term loans	<u>(239,144)</u>	<u>(157,144)</u>	<u>(239,144)</u>	<u>(157,144)</u>
Long-term loans, net	<u>761,390</u>	<u>864,334</u>	<u>761,390</u>	<u>864,334</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December 2010	Increase during the year	Decrease during the year	Balance as at 31 December 2011
Short-term loans from				
Bangkok Bank Public Co., Ltd.	-	100,000	-	100,000
Long-term loans from				
Bangkok Bank Public Co., Ltd.				
Long-term loans	1,021,478	136,200	(157,144)	1,000,534
Less: Current portion of long-term loans	(157,144)	(239,144)	157,144	(239,144)
Long-term loans, net	864,334	(102,944)	-	761,390

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2010	Increase during the year	Decrease during the year	Balance as at 31 December 2011
Long-term loans to				
TICON Logistic Park Co., Ltd.	1,397,095	2,987,577	(1,243,604)	3,141,068
Short-term loans from				
Eco Industrial				
Services Co., Ltd.	-	5,000	(5,000)	-
Bangkok Bank Public Co., Ltd.	-	100,000	-	100,000
	-	105,000	(5,000)	100,000
Long-term loans from				
Bangkok Bank Public Co., Ltd.				
Long-term loans	1,021,478	136,200	(157,144)	1,000,534
Less: Current portion of long-term loans	(157,144)	(239,144)	157,144	(239,144)
Long-term loans, net	864,334	(102,944)	-	761,390

As at 31 December 2011, long-term loan of Baht 3,141 million (2010: Baht 1,397 million) is unsecured loan to TICON Logistics Park Company Limited (Subsidiary) and carries interest at a rate of 4.35 percent per annum (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)

Loans	Contract date	Consolidated and Separate financial statements		Period	Principle conditions		
		2011	2010		Repayment Schedule	Installment period	Interest rate
1.	21 January 2009	136	-	8 years	Every 6 months	November 2012 - May 2017	MLR minus certain rate
2.	11 May 2009	864	1,021	8 years	Every 6 months	November 2010 - May 2017	First 3 years fixed rate after first 3 years MLR minus certain rate
Total		1,000	1,021				
Less: Current portion		(239)	(157)				
Long term loans, net		761	864				

As at 31 December 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 1,849 million (2010: Baht 1,776 million) and certain of the Company's investment units in TICON Property Fund with a value under the equity method amounting to Baht 329 million (2010: Baht 342 million) has been pledged as collateral for long-term loans.

As at 31 December 2011, 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 174 million (2010: Baht 1,333 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

During the year ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Short-term employee benefits	36,531	38,039	29,332	33,829
Post-employment benefits	1,198	-	919	-
Total	<u>37,729</u>	<u>38,039</u>	<u>30,251</u>	<u>33,829</u>

Guarantee obligations with subsidiaries

The Company had outstanding guarantees with its subsidiaries as described in Note 20 and 33.3 to the financial statements.

9. STATEMENT OF CASH FLOWS

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand and at financial institutions and current investments with an original maturity of 3 months or less.

Cash and cash equivalents as reflected in the statements of cash flows consist of the followings:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash	365	375	210	195
Deposits at financial institutions	136,464	182,859	66,045	153,180
Cash and cash equivalents	136,829	183,234	66,255	153,375
Current investments - Government bond and note with an original maturity of 3 months or less	950,000	598,739	950,000	598,739
Cash and cash equivalents in statements of cash flows	<u>1,086,829</u>	<u>781,973</u>	<u>1,016,255</u>	<u>752,114</u>

As at 31 December 2011, bank deposits in saving accounts, fixed deposits and current investment with an original maturity of 3 months or less carried interests between 0.5 and 3.1 percent per annum (2010: between 0.5 and 1.9 percent per annum).

10. CURRENT INVESTMENTS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Held to maturity debt security due within one year				
Treasury bills	-	119,940	-	119,940
Bill of exchanges	950,000	-	950,000	-
Government bonds	-	727,430	-	727,430
Total current investments	<u>950,000</u>	<u>847,370</u>	<u>950,000</u>	<u>847,370</u>

11. TRADE AND OTHER RECEIVABLES

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	32,846	10,607	20,928	7,567
3 - 6 months	4,330	3,472	3,362	3,472
6 -12 months	3,230	918	-	918
Over 12 months	4,946	3,858	4,946	3,858
Total	<u>45,352</u>	<u>18,855</u>	<u>29,236</u>	<u>15,815</u>
Unbilled operating leases receivables	57,909	12,787	26,623	8,314
Less: Allowance for doubtful debts	<u>(5,272)</u>	<u>(5,160)</u>	<u>(5,272)</u>	<u>(5,160)</u>
Total trade receivables - unrelated parties, net	<u>97,989</u>	<u>26,482</u>	<u>50,587</u>	<u>18,969</u>
<u>Other receivables</u>				
Other receivables - related parties	5,837	14,396	8,570	109,791
Other receivables - unrelated parties	1,734	488	278	290
Interest receivable - related party	57	-	133	1,671
Interest receivable - unrelated parties	153	-	153	-
Accrued income	1,126	226	443	202
Other receivables	<u>8,907</u>	<u>15,110</u>	<u>9,577</u>	<u>111,954</u>
Trade and other receivables - net	<u>106,896</u>	<u>41,592</u>	<u>60,164</u>	<u>130,923</u>

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

Type of accounts receivable	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Accounts receivable from rental and services	90,199	26,240	43,210	18,727
Accounts receivable from construction services	7,790	242	7,377	242
	<u>97,989</u>	<u>26,482</u>	<u>50,587</u>	<u>18,969</u>

12. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

As at 31 December 2011, the Company and its subsidiaries have deposits at financial institutions of Baht 40 million (2010: Baht 11 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.

13. INVESTMENTS IN SUBSIDIARIES

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

Company	Nature of business	(Unit: Thousand Baht)							
		Separate financial statements							
		Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
		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	32,500	17,500
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	-	-
Shanghai TICON Investment Management Company Limited ^(a)	Fund management	24,776	12,776	100.00	100.00	24,776	12,776	-	-
Total investments in subsidiaries						<u>2,589,776</u>	<u>2,577,776</u>	<u>32,500</u>	<u>17,500</u>

(a) Audited by other auditor

During the year 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 an interim dividend payment to the shareholders of Baht 1.5 per share from the net profit under tax privileges of the year 2002 and 2003. 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 an interim dividend payment (a second time) to the shareholders of Baht 1.5 per share from the net profit under tax privileges of the year 2003. The dividend, totaling Baht 7.5 million, was paid on 15 March 2011.
- (c) On 25 July 2011, the meeting of the Board of Directors No. 3/2011 of ECO Industrial Services Company Limited, a subsidiary, approved an interim dividend payment (a third time) to the shareholders of Baht 2.0 per share from the net profit under tax privileges of the year 2003 and 2005-2009. The dividend, totaling Baht 10 million, was paid on 1 August 2011.
- (d) On 27 October 2011, the meeting of the Company's Board of Directors No. 4/2011 of ECO Industrial Services Company Limited, a subsidiary, approved an interim dividend payment (a fourth time) to the shareholders of Baht 1.5 per share from the net profit under tax privileges of the year 2009 and 2010. The dividend, totaling Baht 7.5 million, was paid on 28 October 2011.
- (e) On 2 November 2011, the meeting of the Company's Board of Directors No. 7/2011 approved the Company made the second payment of share capital of Shanghai TICON Investment Management Company Limited, amounting to USD 0.4 million, or Baht 12 million. The Company's shareholding is 100 percent, meaning the share capital of that company was 40 percent paid up on 2 September 2011 however the Company has already paid on 2 September 2011. Shanghai TICON Investment Management Company Limited registered the increase of its capital on 10 November 2011.

During the year 2010, there have been changes of investments in subsidiaries as follows: -

- (a) On 20 April 2010, the meeting of the Annual General Meeting's of the shareholders of ECO Industrial Services Company Limited passed a resolution to approve the dividend payment of Baht 1.0 per share, totaling Baht 5 million, which was paid on 21 April 2010.
- (b) On 19 July 2010, the Company established a wholly owned subsidiary in China named Shanghai TICON Investment Management Company Limited, to explore new business in

China. The subsidiary has a registered share capital of USD 2 million and the Company's shareholding is 100 percent. The Company made first payment of share capital, amounting to USD 0.4 million, or Baht 13 million, on 16 August 2010.

- (c) On 5 October 2010, the meeting of the Board of Directors No. 2/2010 of ECO Industrial Services Company Limited, a subsidiary, approved a dividend payment to the shareholders of Baht 2.5 per share from the net profit under tax privileges of the year 2005. The dividend, totaling Baht 13 million, was paid on 7 October 2010.

14. INVESTMENTS IN ASSOCIATES

14.1 Details of associates:

Company	Nature of business	Country of incorporation	Paid up Capital		Number of Investment Units		Percentage owned by the Company	
			2011	2010	2011	2010	2011	2010
			(Thousand Baht)		(Thousand Unit)		(Percent)	
TICON Property Fund	Investing in properties	Thailand	9,486,973	9,486,973	258,989	258,989	28.02	28.02
TPARK Logistics								
Property Fund	Investing in properties	Thailand	2,468,046	1,533,000	48,535	30,134	20.43	19.66

(Unit: Thousand Baht)

Company	Consolidated financial statements				Separate financial statements			
	Share of income							
	Carrying amounts based on equity method		from investments in associates during the year		Carrying amounts based on cost method		Dividend received during the year	
	2011	2010	2011	2010	2011	2010	2011	2010
TICON Property Fund	2,504,410	2,568,221	143,381	150,933	2,670,203	2,670,203	207,191	184,855
Less: Deferred gain on sales of properties	(955,796)	(955,796)	-	-	-	-	-	-
Investments in TICON								
Property Fund - net	1,548,614	1,612,425	143,381	150,933	2,670,203	2,670,203	207,191	184,855
TPARK Logistics								
Property Fund	501,374	300,715	17,420	17,654	509,255	301,896	24,690	20,187
Less: Deferred gain on sales of properties	(152,109)	(92,430)	-	-	-	-	-	-
Investments in TPARK								
Logistics Property Fund - net	349,265	208,285	17,420	17,654	509,255	301,896	24,690	20,187
Investments in associates, net	1,897,879	1,820,710	160,801	168,587	3,179,458	2,972,099	231,881	205,042
Unit price of investment in								
TICON Property Fund (Baht)	5.98	6.23	0.55	0.58	10.31	10.31	0.80	0.71
TPARK Logistics Property Fund (Baht)	7.20	6.91	0.36	0.59	10.49	10.02	0.51	0.67

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.

14.2 Movements of investments in associates during the years 2011 and 2010 are summarised below.

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2011	2010	2011	2010
Investment in associates				
Balance at beginning of year	2,869	2,791	2,972	2,878
Purchases of investment	237	532	237	532
Sales of investment	(30)	(418)	(30)	(438)
Share of income	161	169	-	-
Dividend received	(232)	(205)	-	-
Balance at end of year	3,005	2,869	3,179	2,972

	Consolidated financial statements		(Unit: Million Baht) Separate financial statements	
	2011	2010	2011	2010
Deferred gains on sales of properties				
Balance at beginning of year	1,048	868		
Increase during the year	63	219		
Decrease during the year	(4)	(39)		
Balance at end of year	1,107	1,048		
Investments in associates, net	1,898	1,821		

The Company recorded the gain on sales of land, factory and warehouse buildings to the Funds in the income statements and treated part of the gains, in proportion to its investment in the TICON Property Fund or TPARK Logistics Property Fund, as an deferred gain. This was presented as a separate item in the income statements, under the caption "Deferred gains on sales of properties to associates". Movements of deferred gains on sales of properties to associates during the years 2011 and 2010 are summarised below.

Date	Transactions during the year 2011	Number of land and buildings/ number of investment units	Sale price (Million Baht)	Increase (decrease) in deferred gains on sales of properties in proportion to investment in the Funds (Million Baht)
Sales of properties to TPARK Logistics Property Fund				
29 September 2011	The subsidiary sold land and warehouses	12 warehouses	944	63 *
Sales of investment in associate to unrelated parties				
18 November 2011	Sales of investment in TPARK Logistics Property Fund	3 million units	32	(4)

Date	Transactions during the year 2010	Number of land and buildings/ number of investment units	Sale price (Million Baht)	Increase (decrease) in deferred gains on sales of properties in proportion to investment in the Funds (Million Baht)
Sales of properties to TICON Property Fund				
25 March 2010	The Company sold land and factory	1 factory	31	6 **
14 October 2010	The Company sold land and factory	35 factories	1,707	213 ***
				<u>219</u>
Sales of TICON Property Fund's properties to unrelated parties				
24 February 2010	TICON Property Fund sold land and a factory that was purchased from the Company to third party	1 factory	27	(3)
Sales of investment in associate to unrelated parties				
23 April -	Sales of investment in TICON			
2 September 2010	Property Fund	43 million units	449	(36)
				<u>(39)</u>

* The fair values of the land and warehouses building as appraised using the income approach method by two independent valuers totaled Baht 910 million and Baht 953 million.

** The fair values of the land and factory building as appraised using the income approach method by two independent valuers totaled Baht 29 million and Baht 31 million.

*** The fair values of the land and factory building as appraised using the income approach method by two independent valuers totaled Baht 1,704 million and Baht 1,713 million.

14.3 Summarised financial information of associates

Company	(Unit: Million Baht)									
	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the year ended		Profit for the year ended	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
TICON Property Fund	9,487	9,487	10,177	10,356	349	304	841	785	515	699
TPARK Logistics										
Property Fund ^(a)	2,468	1,533	2,621	1,629	55	26	170	166	151	164

(a) Financial statements for the year 2010 were audited by other auditor

- a) On 29 September 2011, TPARK Logistics Property Fund ("the Fund") issued an additional 84 million investment units at an offer price of Baht 11.1 each, bringing the value of the Fund's registered investment units to Baht 2,468 million in total. The Company acquired 19 million of the additional investment units at a total cost of Baht 209 million.
- b) During November 2011, the Company sold 3 million fund units with a selling price of Baht 11.2 each, or a total of Baht 32 million. As a result, the Company's holding in TPARK Logistics Property Fund has decreased from 21.63 percent to 20.43 percent of units.
- c) On 14 October 2010, the TICON Property Fund issued an additional 164 million investment units at an offer price of Baht 10.5 each, bringing the value of the Fund's registered investment units to Baht 9,487 million in total. The Company acquired 50 million of the additional investment units at a total cost of Baht 526 million.

14.4 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 31 December		Fair value per unit as at 31 December	
	2011	2010	2011	2010
	(Million Baht)	(Million Baht)	(Baht)	(Baht)
TICON Property Fund	2,719	3,030	10.5	11.7
TPARK Logistics Property Fund	534	344	11.0	11.4
Total	3,253	3,374		

- 14.5 As at 31 December 2011, the Company's investment units in TICON Property Fund of 170 million units (2010: 68 million units) with a value under the equity method amounting to Baht 1,014 million (2010: Baht 423 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 22 million units (2010: 15 million units) with a value under the equity method amounting to Baht 160 million (2010: 104 million) are pledged with a bank as

15. INVESTMENT PROPERTIES

15.1 Investment properties under development and available for rent/sale

(Unit: Thousand Baht)

Consolidated financial statements							
	Investment properties under development			Investment properties available for rent/sale			
	Land and land improvement	Construction in progress	Total	Land and land improvement	Factory and warehouse building	Total	Grand total
Cost							
1 January 2010	2,358,076	594,717	2,952,793	649,228	1,345,511	1,994,739	4,947,532
Purchase	805,483	897,461	1,702,944	-	-	-	1,702,944
Disposal	(48,400)	-	(48,400)	(8,880)	(14,576)	(23,456)	(71,856)
Transfer in/out	(703,246)	(893,639)	(1,596,885)	(87,083)	(23,204)	(110,287)	(1,707,172)
Capitalised interest	-	1,216	1,216	-	-	-	1,216
31 December 2010	2,411,913	599,755	3,011,668	553,265	1,307,731	1,860,996	4,872,664
Purchase	1,392,300	1,920,958	3,313,258	-	-	-	3,313,258
Transfer in/out	(564,678)	(1,635,385)	(2,200,063)	(347,453)	(904,966)	(1,252,419)	(3,452,482)
Capitalised interest	1,526	10,963	12,489	-	-	-	12,489
31 December 2011	3,241,061	896,291	4,137,352	205,812	402,765	608,577	4,745,929
Accumulated depreciation							
1 January 2010	3,456	-	3,456	-	146,377	146,377	149,833
Depreciation for the year	-	-	-	-	60,525	60,525	60,525
Depreciation on disposal	-	-	-	-	(2,212)	(2,212)	(2,212)
Transfer in/out	(3,456)	-	(3,456)	-	(74,182)	(74,182)	(77,638)
31 December 2010	-	-	-	-	130,508	130,508	130,508
Depreciation for the year	-	-	-	-	39,258	39,258	39,258
Transfer in/out	-	-	-	-	(113,644)	(113,644)	(113,644)
31 December 2011	-	-	-	-	56,122	56,122	56,122
Allowance for impairment loss							
31 December 2010	-	-	-	-	-	-	-
Increase during the year	15,420	-	15,420	-	-	-	15,420
31 December 2011	15,420	-	15,420	-	-	-	15,420
Net book value							
31 December 2010	2,411,913	599,755	3,011,668	553,265	1,177,223	1,730,488	4,742,156
31 December 2011	3,225,641	896,291	4,121,932	205,812	346,643	552,455	4,674,387
Depreciation for the year (included in administrative expenses)							
2010							60,525
2011							39,258

(Unit: Thousand Baht)

Separate financial statements

	Investment properties under development			Investment properties available for rent/sale			
	Land and land	Construction	Total	Land and land	Factory	Total	Grand total
	improvement	in progress		improvement	Building		
Cost							
1 January 2010	1,146,241	216,733	1,362,974	456,944	823,205	1,280,149	2,643,123
Purchase	103,472	236,717	340,189	-	-	-	340,189
Disposal	(48,400)	-	(48,400)	(8,880)	(14,576)	(23,456)	(71,856)
Transfer in/out	(141,883)	(273,055)	(414,938)	(183,817)	(254,183)	(438,000)	(852,938)
Capitalised interest	-	1,216	1,216	-	-	-	1,216
31 December 2010	1,059,430	181,611	1,241,041	264,247	554,446	818,693	2,059,734
Purchase	101,324	636,152	737,476	-	-	-	737,476
Disposal	(33,679)	-	(33,679)	-	-	-	(33,679)
Transfer in/out	(302,383)	(548,123)	(850,506)	(134,133)	(323,162)	(457,295)	(1,307,801)
Capitalised interest	1,526	10,700	12,226	-	-	-	12,226
31 December 2011	826,218	280,340	1,106,558	130,114	231,284	361,398	1,467,956
Accumulated depreciation							
1 January 2010	-	-	-	-	96,822	96,822	96,822
Depreciation for the year	-	-	-	-	33,305	33,305	33,305
Depreciation on disposal	-	-	-	-	(2,213)	(2,213)	(2,213)
Transfer in/out	-	-	-	-	(47,921)	(47,921)	(47,921)
31 December 2010	-	-	-	-	79,993	79,993	79,993
Depreciation for the year	-	-	-	-	21,683	21,683	21,683
Transfer in/out	-	-	-	-	(57,904)	(57,904)	(57,904)
31 December 2011	-	-	-	-	43,772	43,772	43,772
Allowance for impairment loss							
31 December 2010	-	-	-	-	-	-	-
Increase during the year	15,420	-	15,420	-	-	-	15,420
31 December 2011	15,420	-	15,420	-	-	-	15,420
Net book value							
31 December 2010	1,059,430	181,611	1,241,041	264,247	474,453	738,700	1,979,741
31 December 2011	810,798	280,340	1,091,138	130,114	187,512	317,626	1,408,764
Depreciation for the year (included in administrative expenses)							
2010							33,305
2011							21,683

The fair value of the investment properties as at 31 December 2011 and 2010 stated below:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and land improvement under development	5,442,034	4,197,709	970,994	1,320,066
Land and factory and warehouse buildings available for rent/sale	895,954	2,795,399	581,998	1,409,512

The fair values of the above investment properties have been determined based on independent valuer of associated companies in the same industrial area of the Company and subsidiaries' factories/warehouses and land. The fair value of the land and land improvement under development has been determined based on market prices, while that of the factory and warehouse buildings available for rent/sale has been determined using the income approach. The main assumptions used in the valuation are yield rate, vacancy rate and long-term growth in real rental rates.

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

	Consolidated financial statements		(Unit :Thousand Baht) Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Investment properties under development	4,121,932	3,011,668	1,091,138	1,241,041
Capitalised interest expenses from the part of loan from financial institution and debentures	12,489	1,217	12,226	1,217
Capitalisation rate (%)	4.22	4.39	4.20	4.39

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

(Unit :Thousand Baht)

Type of assets	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Investment properties under collateral</u>				
Properties under development	1,131,148	1,205,386	390,914	443,304
Properties available for rent/sale, net	458,148	1,350,645	296,959	578,916
	<u>1,589,296</u>	<u>2,556,031</u>	<u>687,873</u>	<u>1,022,220</u>
<u>Investment properties under non-collateral</u>				
Properties under development	2,990,784	1,806,282	700,224	797,738
Properties available for rent/sale, net	94,307	379,843	20,667	159,783
	<u>3,085,091</u>	<u>2,186,125</u>	<u>720,891</u>	<u>957,521</u>
Total	<u>4,674,387</u>	<u>4,742,156</u>	<u>1,408,764</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 institutes.

15.2 Investment properties for rent

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land and land improvement	Factory and warehouse building	Total
Cost			
1 January 2010	1,413,037	3,009,793	4,422,830
Purchase	-	95	95
Disposal	(378,422)	(684,283)	(1,062,705)
Transfer in/out	284,394	920,966	1,205,360
31 December 2010	1,319,009	3,246,571	4,565,580
Disposal	(165,313)	(581,587)	(746,900)
Transfer in/out	897,766	2,504,483	3,402,249
31 December 2011	<u>2,051,462</u>	<u>5,169,467</u>	<u>7,220,929</u>

(Unit: Thousand Baht)

Consolidated financial statements			
	Land and land improvement	Factory and warehouse building	Total
Accumulated depreciation			
1 January 2010	-	537,511	537,511
Depreciation for the year	-	170,368	170,368
Depreciation on disposal	-	(137,534)	(137,534)
Transfer in/out	-	74,181	74,181
31 December 2010	-	644,526	644,526
Depreciation for the year	-	228,121	228,121
Depreciation on disposal	-	(80,825)	(80,825)
Transfer in/out	-	113,644	113,644
31 December 2011	-	905,466	905,466
Net book value			
31 December 2010	1,319,009	2,602,045	3,921,054
31 December 2011	2,051,462	4,264,001	6,315,463
Depreciation for the year (included in cost of rental and related services, administrative expenses)			
2010			170,368
2011			228,121

(Unit: Thousand Baht)

Separate financial statements			
	Land and land improvement	Factory building	Total
Cost			
1 January 2010	1,226,851	2,231,165	3,458,016
Disposal	(378,422)	(684,284)	(1,062,706)
Transfer in/out	325,700	529,331	855,031
31 December 2010	1,174,129	2,076,212	3,250,341
Disposal	(24,472)	(48,867)	(73,339)
Transfer in/out	436,516	870,380	1,306,896
31 December 2011	1,586,173	2,897,725	4,483,898

(Unit: Thousand Baht)

	Separate financial statements		
	Land and land improvement	Factory building	Total
Accumulated depreciation			
1 January 2010	-	464,123	464,123
Depreciation for the year	-	118,020	118,020
Depreciation on disposal	-	(137,534)	(137,534)
Transfer in/out	-	47,921	47,921
31 December 2010	-	492,530	492,530
Depreciation for the year	-	121,252	121,252
Depreciation on disposal	-	(10,275)	(10,275)
Transfer in/out	-	57,904	57,904
31 December 2011	-	661,411	661,411
Net book value			
31 December 2010	1,174,129	1,583,682	2,757,811
31 December 2011	1,586,173	2,236,314	3,822,487
Depreciation for the year (included in cost of rental and related services, administrative expenses)			
2010			118,020
2011			121,252

The fair value of the investment properties as at 31 December 2011 and 2010 stated below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and land improvement with factory and warehouse buildings for rent	11,991,324	8,011,289	7,769,486	5,980,062

The fair values of the above investment properties have been determined based on independent valuer of associated companies in the same industrial area of the Company and subsidiaries' factories/warehouses and land. The fair value of the land and land improvement has been determined based on market prices, while that of the factory and warehouse buildings for rent has been determined using the income approach. The main assumptions used in the valuation are yield rate, vacancy rate and long-term growth in real rental rates.

The Company and its subsidiaries have several operating lease agreements in respect of the lease of land, factory buildings and warehouses. The terms of the agreements are generally between 6 months to 12 years. As at 31 December 2011, 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	448	293

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	
	2011	2010	2011	2010
Investment properties for rent				
- Under collateral, net	3,701,567	2,679,889	2,531,898	2,243,815
- Under non-collateral, net	2,613,896	1,241,165	1,290,589	513,996
Total	<u>6,315,463</u>	<u>3,921,054</u>	<u>3,822,487</u>	<u>2,757,811</u>

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 December 2011, the book values of the leased assets which the lessees have the option to buy are as follows (leased investment properties 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	
2012	83,850
2013	213,075
2014	81,556
Total	378,481

During October to December 2011, flooding in Pra Nakorn Sri Ayutthaya and Pathumthani provinces caused damage to 69 of the Company's factories, with an area of approximately area 193,675 square meters, located in Rojana Industrial Park (Phases 1, 2), Bangpa-In Industrial Estate, Hitech Industrial Estate and Navanakorn Industrial Promotion Zone, and 13 warehouses of the subsidiary, TICON Logistics Park Company Limited, with an area of approximately area 71,624 square meters, located in Logistics Park Activities (Wangnoi) and Rojana Industrial Park (Phase 2). This is out of a total of 193 factories and warehouses, with an area of approximately 619,560 square meters. The Company has estimated the decrease in rental and related service income from properties damaged during October to December 2011 as follows.

Location name	No. of factories/ warehouses	Area (Square meters)	Decrease in rental and service income (Million Baht)
1. Rojana Industrial Park (Phase 1,2)	36	107,375	44.4
2. Bangpa-In Industrial Estate	2	5,250	2.2
3. Hitech Industrial Estate	20	53,100	17.6
4. Navanakorn Industrial Promotion Zone	11	27,950	10.2
5. Logistics Park Activities (Wangnoi)	10	53,300	19.5
6. Rojana Industrial Park (Phase 2)	3	18,324	6.8
Total	82	265,299	100.7

After the floods receded, in December 2011, the Company and its subsidiary surveyed the damage, and carried out repairs to the factories and warehouses. These consisted of cleaning the buildings and surrounding areas, painting, and repairing electrical systems in the buildings. The Company and its subsidiary recorded repair costs amounting to Baht 4.6 million as expenses in profit or loss in the year 2011. However, the Company and its subsidiary have insurance against flood damage and for business interruption, and on 10 February 2012, received the first interim payment from their insurer, amounting to Baht 32 million.

16. PROPERTY, PLANT AND EQUIPMENT

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Factory building	Equipment and tools	Furniture, fixtures and office equipment	Vehicles	Total
Cost						
1 January 2010	17,401	37,725	50,162	32,282	18,457	156,027
Purchase	-	-	352	2,853	1,787	4,992
Disposal	-	-	(146)	(977)	(702)	(1,825)
Transfer in/out	507,483	(22)	-	-	-	507,461
31 December 2010	524,884	37,703	50,368	34,158	19,542	666,655
Purchase	-	-	4,910	7,964	3,577	16,451
Disposal	(451)	(1,050)	(4,592)	(972)	(4,129)	(11,194)
Transfer in/out	39,918	12,051	2,084	-	-	54,053
Translation adjustment	-	-	-	79	116	195
31 December 2011	564,351	48,704	52,770	41,229	19,106	726,160
Accumulated depreciation						
1 January 2010	-	2,975	30,516	19,344	11,133	63,968
Depreciation for the year	17,308	1,889	2,804	5,782	2,605	30,388
Depreciation on disposal	-	-	(145)	(959)	(550)	(1,654)
Transfer in/out	3,456	-	5,646	-	-	9,102
31 December 2010	20,764	4,864	38,821	24,167	13,188	101,804
Depreciation for the year	17,691	2,208	1,851	5,796	3,143	30,689
Depreciation on disposal	-	(204)	(2,044)	(922)	(4,051)	(7,221)
Transfer in/out	-	-	3,820	-	-	3,820
Translation adjustment	-	-	-	26	19	45
31 December 2011	38,455	6,868	42,448	29,067	12,299	129,137
Net book value						
31 December 2010	504,120	32,839	11,547	9,991	6,354	564,851
31 December 2011	525,896	41,836	10,322	12,162	6,807	597,023
Depreciation for the year						
2010						30,388
2011						30,689

(Unit: Thousand Baht)

	Separate financial statements			
	Equipment and tools	Furniture, fixtures and office equipment	Vehicles	Total
Cost				
1 January 2010	20,452	25,488	17,242	63,182
Purchase	319	1,725	671	2,715
Disposal/write-off	(146)	(939)	(701)	(1,786)
31 December 2010	20,625	26,274	17,212	64,111
Purchase	3,810	4,836	3,577	12,223
Disposal/write-off	(2,351)	(2,186)	(4,129)	(8,666)
Transfer in/out	2,084	-	-	2,084
31 December 2011	24,168	28,924	16,660	69,752
Accumulated depreciation				
1 January 2010	17,129	17,816	10,545	45,490
Depreciation for the year	-	3,898	2,327	6,225
Depreciation on disposal/ write-off	(146)	(933)	(550)	(1,629)
Transfer in/out	2,093	-	-	2,093
31 December 2010	19,076	20,781	12,322	52,179
Depreciation for the year	-	3,258	2,682	5,940
Depreciation on disposal/ write-off	(266)	(2,035)	(4,051)	(6,352)
Transfer in/out	1,179	-	-	1,179
31 December 2011	19,989	22,004	10,953	52,946
Net book value				
31 December 2010	1,549	5,493	4,890	11,932
31 December 2011	4,179	6,920	5,707	16,806
Depreciation for the year (included in administrative expenses)				
2010				6,225
2011				5,940

As at 31 December 2011, certain equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 47 million (2010: Baht 29 million) (The Company only: Baht 34 million, 2010: Baht 28 million).

As at 31 December 2011, the subsidiary's land, land improvement and building with a net book value of Baht 395 million (2010: Baht 409 million) have been used as collateral for bank overdrafts, short-term loans and long-term loans from financial institutions.

17. COMPUTER SOFTWARE

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
Cost			
Balance as at 31 December 2010		20,423	17,101
Acquisition during the year		2,949	2,487
Disposals during the year		-	(40)
Balance as at 31 December 2011		23,372	19,548
Accumulated depreciation			
Balance as at 31 December 2010		7,508	6,159
Amortisation for the year		5,116	4,292
Write-off during the year		-	(2)
Balance as at 31 December 2011		12,624	10,449
Net book value			
Balance as at 31 December 2010		12,915	10,942
Balance as at 31 December 2011		10,748	9,099

18. SHORT-TERM LOANS AND LIABILITIES UNDER TRUST RECEIPTS

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
Interest rate (percent per annum)		2011	2010	2011	2010
Short-term loans	3.49 - 5.50	1,602,500	-	1,516,500	-
Liabilities under trust receipts	-	3,596	1,716	3,596	1,716
Total		1,606,096	1,716	1,520,096	1,716

As at 31 December 2011, the Company had overdraft lines and short-term loan credit facilities totaling Baht 65 million (2010: Baht 100 million).

As at 31 December 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 88 million (2010: Baht 101 million) and certain of the Company's investment units in TICON Property Fund with a value under the equity method amounting to Baht 685 million (2010: Baht 81 million) have been pledged as collateral for liabilities under trust receipts, bank overdrafts and short-term loans from financial institutions.

19. TRADE AND OTHER PAYABLES

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade payables - unrelated parties	249,381	112,924	77,909	43,672
Other payables - related parties	-	315	2,142	8,556
Accrued interest expenses to related party	142	126	142	126
Accrued interest expenses to unrelated parties	31,355	41,318	31,355	41,318
Accrued expenses - related parties	1,703	106	1,703	106
Accrued expenses - unrelated parties	46,752	41,276	28,742	34,778
Total trade and other payables	<u>329,333</u>	<u>196,065</u>	<u>141,993</u>	<u>128,556</u>

20. LONG-TERM LOANS

As at 31 December 2011, the long-term loan credit facilities of the Company and its subsidiary which have not yet been drawn down amounted to Baht 559 million (2010: Baht 1,362 million).

As at 31 December 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 3,749 million (2010: Baht 3,768 million) have been pledged as collateral for aforesaid long-term loans. In addition, as at 31 December 2011, its subsidiary's credit facilities from financial institution amounting to Baht 2,961 million (2010: Baht 2,961 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.

21. DEBENTURES

The Company issued 6.15 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 6,150 million. Significant details of the debentures are summarised below.

<u>No.</u>	<u>Issued date</u>	<u>No. of debentures</u> (Million units)	<u>Amount</u> (Million Baht)	<u>Coupon rate</u> (% p.a.)	<u>Tenure</u>	<u>Maturity date</u>
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
1/2011	20 May 2011	0.65	650	4.230%	5 years	20 May 2016
2/2011	8 July 2011	0.35	350	4.780%	7 years	8 July 2018
3/2011	28 December 2011	0.65	650	4.500%	5 years	28 December 2016
4/2011	30 December 2011	0.35	350	4.500%	5 years	30 December 2016
		<u>6.15</u>	<u>6,150</u>			

As at 30 December 2011, the Company has issued debenture No. 4/2011 amounting 0.35 million units totaling Baht 350 million with interest rate at 4.5 per annum, 5 years maturity. There will be due to Bangkok Bank Public Company Limited on 30 December 2016.

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	
	2011	2010
Debentures	6,150,000	5,150,000
Less: Current portion	(850,000)	(1,000,000)
Debentures - net of current portion	<u>5,300,000</u>	<u>4,150,000</u>

Movements in the debentures account during the year ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements / Separate financial statements
Balance - beginning of year	5,150,000
Add: Issuance of debentures during the year	2,000,000
Less: Redemption during the year	(1,000,000)
Balance - end of year	6,150,000

22. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5)	16,401	14,081
Current service cost	1,877	1,523
Interest cost	656	563
Balance at end of year	18,934	16,167

Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2011 amounted to Baht 3 million.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.0	4.0	4.0	4.0
Future salary increase rate	3.5 - 5.0	3.5 - 5.0	3.5 - 5.0	3.5 - 5.0
Staff turnover rate				
- Head office	0.0 - 18.0	0.0 - 18.0	0.0 - 18.0	0.0 - 18.0
- Site	35.0 - 50.0	35.0 - 50.0	35.0 - 50.0	35.0 - 50.0

23. SHARE CAPITAL

23.1 Registered share capital

The extraordinary meeting of the shareholders No. 1/2011 held on 23 June 2011 approved the following resolutions:

- a) Issue up to 80,000,000 units of Taiwan Depository 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 detail related to the offer of these Taiwan Depository 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, totaling Baht 80,000,000, to be reserved to support the offering of TDRs.

The Company registered the increase of its capital with the Ministry of Commerce on 7 July 2011.

23.2 Reconciliation of share capital which issued and paid-up

Description	Number of shares (Thousand shares)	Paid-up share capital (Thousand Baht)	Premium on ordinary shares (Thousand Baht)	Registration date
<u>Issued and paid-up ordinary share</u>				
The beginning of the year -				
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
No. 1/2011				
TICON-W4	68,443	68,443	472,804	4 April 2011
No. 2/2011				
TICON-W4	12,864	12,864	87,144	26 May 2011

24. 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			361,913,709					

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
28 April 2011	TICON-W3	Baht 19.355	1.03331 ordinary shares	30 June 2011
28 April 2011	TICON-W4	Baht 7.774	1.02905 ordinary shares	20 May 2011
28 April 2011	TICON-W5	Baht 7.774	1.02905 ordinary shares	29 June 2012

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

Warrant	Number of warrants outstanding as at 31 December 2010	Number of warrants exercised during the year	Number of warrants cancelled during the year	Number of warrants outstanding as at 31 December 2011
TICON-W3	219,349,803	-	-	219,349,803
TICON-W4	80,298,522	(80,157,056)	(141,466)*	-
TICON-W5	32,883,000	-	-	32,883,000
Total	332,531,325	(80,157,056)	(141,466)	252,232,803

* No longer been listed securities since 21 May 2011.

25. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution.

26. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Salary and wages and other employee benefits	117,537	112,445	89,737	94,561
Depreciation and amortisation	303,188	265,173	153,167	161,023
Rental expense from operating lease agreements	37,112	33,403	26,811	25,568
Allowance for impairment loss on investment properties under development	15,420	-	15,420	-

27. CORPORATE INCOME TAX AND DEFERRED TAX ASSETS / LIABILITIES

Income tax expenses for the years ended 31 December 2011 and 2010 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current income tax:				
Current income tax charge	137,535	307,373	81,524	300,751
Deferred tax:				
Relating to origination and reversal of temporary differences	(10,436)	(49,445)	349	3,964
Effects of changes in the applicable tax rates	71,994	-	95	-
Income tax as included in income statements	<u>199,093</u>	<u>257,928</u>	<u>81,968</u>	<u>304,715</u>

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2011 and 2010 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Accounting profit before income tax	635,485	1,079,027	523,067	1,292,637
Applicable tax rate:				
The Company	30%	25% for the first amounted Baht 300 million of profit of the Company and 30%	30%	25% for the first amounted Baht 300 million of profit of the Company and 30%
Subsidiaries	30%	30%	-	-
Accounting profit before tax multiplied by applicable tax rate	190,646	309,401	156,920	372,791
Effects of changes in the applicable tax rates	71,994	-	95	-
Effects of:				
Promotional privileges (Note 28)	(46,721)	(12,181)	-	-
Dividend income from subsidiary and associates	-	-	(79,314)	(66,762)
Non-deductible expenses and income	(16,826)	(39,292)	4,267	(1,314)
Total	(63,547)	(51,473)	(75,047)	(68,076)
Income tax expenses reported in income statement	199,093	257,928	81,968	304,715

As of 31 December 2011 and 2010, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Deferred tax assets				
Unrealised gain on sales of properties to associates	192,426	254,865	-	-
Unearned income from construction services	427	738	427	738
Provision for long-term employee benefits	3,787	-	3,234	-
Allowance for doubtful account	1,051	1,286	1,051	1,286
Allowance for impairment loss on investment properties under development	3,084	-	3,084	-
Prepaid income	1,351	1,569	1,351	1,569
Total	<u>202,126</u>	<u>258,458</u>	<u>9,147</u>	<u>3,593</u>
Deferred tax liabilities				
Operating leases receivables	<u>7,436</u>	<u>7,130</u>	<u>7,058</u>	<u>5,284</u>
Total	<u>7,436</u>	<u>7,130</u>	<u>7,058</u>	<u>5,284</u>

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company reflected the changes in tax rates in its deferred tax calculation, as presented above.

28. PROMOTIONAL PRIVILEGES

Two subsidiaries have been granted promotional privileges under the provisions of the Industrial Investment Promotion Act that subject to certain imposed conditions as follows:

Company	Certificate No.	Date of first earning operating income	Period of corporate income tax exemption	Period of 50% reduction of corporate income tax	Promotional activities
ECO Industrial Services Company Limited	1720(1)/2544	20 December 2001	8 years	5 years	Development of real estate for factories
TICON Logistics Park Company Limited	2142(2)/2550	1 July 2007	8 years	-	Logistics park activities (Bangna-trad)
	1766(2)/2551	1 July 2008	8 years	-	Logistics park activities (Wangnoi)
	1648(2)/2553	1 August 2010	7 years	-	Building development for factory and/or warehouse (Rojana)
	2529(2)/2554	26 October 2011	7 years	-	Building development for factory and/or warehouse (Amata Nakorn)

The subsidiaries' operating revenues for the years ended on 31 December 2011 and 2010 are below divided according to promoted and non-promoted operations.

	Promoted		Non-promoted		Total	
	2011	2010	2011	2010	2011	2010
Rental and service income	246,017	141,842	64,586	51,971	310,603	193,813
Revenues from construction services	-	-	542	329	542	329
Sales of properties to related parties	343,500	-	600,000	-	943,500	-
Utility income	1,170	949	9,237	6,944	10,407	7,893
Management fee income from related companies	-	-	2,663	2,355	2,663	2,355
Interest income	428	80	468	32	896	112
Other income	67	80	980	1,934	1,047	2,014
Total	591,182	142,951	678,476	63,565	1,269,658	206,516

29. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year 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 year 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						
Profit for the year		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	436,393	821,099	759,417	674,290	0.57	1.22
Effect of dilutive potential ordinary shares						
Warrants						
TICON-W2	-	-	-	382		
TICON-W4	-	-	8,285	30,988		
TICON-W5	-	-	13,098	9,794		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	436,393	821,099	780,800	715,454	0.56	1.15
Separate financial statements						
Profit for the year		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	441,098	987,923	759,417	674,290	0.58	1.47
Effect of dilutive potential ordinary shares						
Warrants						
TICON-W2	-	-	-	382		
TICON-W4	-	-	8,285	30,988		
TICON-W5	-	-	13,098	9,794		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	441,098	987,923	780,800	715,454	0.56	1.38

The warrants allocated to the existing shareholders of the Company (TICON-W3) for the years ended 31 December 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.

30. 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 years ended 31 December 2011 and 2010 by segment.

(Unit: Million Baht)

	Real estate business		Construction service business		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues	1,977	2,762	22	21	1,999	2,783
Segment income	1,008	1,496	3	5	1,011	1,501
Unallocated income and expenses:						
Other income					132	150
Selling expenses					(19)	(14)
Administrative expenses					(214)	(189)
Depreciation					(93)	(92)
Other expenses					(16)	(5)
Share of income from investments in associates					101	(11)
Finance cost					(267)	(261)
Corporate income tax					(199)	(258)
Profit for the year					<u>436</u>	<u>821</u>

Information in the consolidated the statements of financial position is presented by real estate (for sales/rent) and other segments as at 31 December 2011 and 2010 as follows:

(Unit: Million Baht)

	Real estate business		Others		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Investment properties under development and available for rent/sale	4,674	4,742	-	-	4,674	4,742
Investment properties for rent	6,316	3,921	-	-	6,316	3,921
Property, plant and equipment	597	565	-	-	597	565
Other assets	-	-	3,702	3,257	3,702	3,257
Total assets					<u>15,289</u>	<u>12,485</u>

The Company and its subsidiaries have applied the transfer prices as described in Note 8 to the financial statements.

31. PROVIDENT FUND

The Company, its subsidiary and their employees have jointly established a provident fund. The fund is contributed to by both employees and the Company and its subsidiary at the rates of 2 - 4 percent of wages. The fund was managed by Bank Ayudhya Public Company Limited. During the year 2011, the Company and its subsidiary contributed Baht 3 million (2010: Baht 2 million) to the fund.

32. DIVIDEND

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividend from the operating results of the first half of the year 2011	Board of Directors No. 5/2011 on 10 August 2011	156,201	0.2
Dividend from the operating results of the year 2010	Annual General Meeting of the shareholders on 25 April 2011	768,136	1.0
Total dividend for the year 2011		924,337	1.2
Dividend from the operating results of the year 2009	Annual General Meeting of the shareholders on 23 April 2010	537,723	0.8
Total dividend for the year 2010		537,723	0.8

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 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 14-15 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 December 2011, the Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating leases contracts as follows.

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Payable within:		
Less than 1 year	26	18
1 to 5 years	75	47
More than 5 years	106	92

33.2 Capital commitments

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Agreements to purchase land for construction of future warehouses	816	249	320	-
Agreements with contractors	1,141	290	27	40
Agreements for landfill	4	-	-	-
Agreements for repairment of factories	23	-	19	-
Total	<u>1,984</u>	<u>539</u>	<u>366</u>	<u>40</u>

33.3 Bank guarantees

- (a) The Company has guaranteed bank guarantee facilities of its subsidiaries amounting to Baht 116 million.
- (b) As at 31 December 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:

Purpose of Guarantees	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Long-term land lease agreements	35	24
Utilities for construction projects	11	4
Retention for construction projects	35	-
Operation for construction projects	11	7
Total	92	35

33.4 Servitude over property

As at 31 December 2011, the Company and its subsidiary have servitude over land of approximately 86 rai (2010: 82 rai) (The company only: 57 rai, 2010: 53 rai) of which the net book value is Baht 173 Million (2010: Baht 167 million) (The company only: Baht 139 million, 2010: Baht 132 million) and is presented under investment properties for rent and property, plant and equipment.

33.5 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 188 million per annum for the vacant warehouses for the period from 1 January 2012 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 December 2011, 22 million of the Company's investment units in TPARK Logistics Property Fund (2010: 15 million units), with a value under the equity method of Baht 160 million (2010: Baht 104 million), are pledged with a bank as collateral for this guarantee.

33.6 Investment commitment

As at 31 December 2011, the Company is committed to pay uncalled portions of its investment in a subsidiary, approximately of USD 1 million (2010: USD 2 million).

34. FINANCIAL INSTRUMENTS

34.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivable, unbilled operating leases receivables, loans to, investments, short-term loans, long-term loans and debentures. The financial risk associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily from trade with counterparties involving the rental/sale of factories, warehouses and construction services. However, due to the large number and diversity of entities comprising the customer base, and their business conduct policy, the Company and its subsidiaries do not anticipate material losses from its debt collection. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statements of financial position.

Interest rate risk

The Company and subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, long-term borrowings and debentures. However, since most of the Company and subsidiaries' financial assets and liabilities bear floating interest rates or fixed rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing

Consolidated financial statements as at 31 December 2011

	Fixed interest rates					Total	Average interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalent	951	-	-	135	1	1,087	0.81, 2.59
Trade and other receivable	-	-	-	-	49	49	-
Deposits at financial institutions with restrictions	-	-	-	41	-	41	1.87
Unbilled operating leases receivables	-	-	-	-	76	76	-
	951	-	-	176	126	1,253	
Financial liabilities							
Short-term loans and liabilities under trust receipts	1,602	-	-	-	4	1,606	3.86
Trade and other payable	-	-	-	-	329	329	-
Debentures	-	6,150	-	-	-	6,150	4.05
Long-term loans from related party	-	865	-	136	-	1,001	5.89
	1,602	7,015	-	136	333	9,086	

Separate financial statements as at 31 December 2011

	Fixed interest rates					Total	Average interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing		
	(Million Baht)						
Financial assets							
Cash and cash equivalent	951	-	-	65	-	1,016	0.81, 2.59
Trade and other receivable	-	-	-	-	34	34	-
Unbilled operating leases receivables	-	-	-	-	31	31	-
Long-term loans to related company	-	3,141	-	-	-	3,141	4.35
	951	3,141	-	65	65	4,222	
Financial liabilities							
Short-term loans and liabilities under trust receipts	1,516	-	-	-	4	1,520	3.86
Trade and other payable	-	-	-	-	142	142	-
Debentures	-	6,150	-	-	-	6,150	4.05
Long-term loans from related party	-	865	-	136	-	1,001	5.89
	1,516	7,015	-	136	146	8,813	

Foreign currency risk

The Company and subsidiaries' exposure to foreign currency risk arises mainly from purchasing transactions that are denominated in foreign currencies. The Company and subsidiaries seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial liabilities denominated in foreign currencies as at 31 December 2011 are summarised below.

Foreign currency	Financial liabilities	Exchange rate as at 31 December 2011
	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.1	31.8319

34.2 Fair values of financial instruments

Since the majority of the Company and subsidiaries' financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

35. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2011, the Group's debt-to-equity ratio was 1.7:1 (2010: 1.2:1) and the Company's was 1.5:1 (2010: 1.1:1).

36. EVENTS AFTER THE REPORTING PERIOD

- 36.1 On 28 February 2012, the Board of Directors' Meeting No. 1/2012 of the Company resolved the resolution to pay dividend of Baht 0.2 per share from the second half earnings of the year 2011, on 17 May 2012. The resolution is subject to approval of the Company's Annual General Meeting of Shareholders to be held on 25 April 2012.
- 36.2 During January 2012, the Company issued 0.9 million unsubordinated, unsecured debentures, and with no debentureholder representation. 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 900 million. Significant details of the debentures are summarised below.

<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.)		
1/2012	10 January 2012	0.10	100	4.500%	5 years	10 January 2017
2/2012	20 January 2012	0.80	800	4.000%	2 years	20 January 2014
		0.90	900			

36.3 On 14 February 2012, TICON Property Fund (“the Fund”) announced that it had approved the issue and offer for sale of 74 million additional investment units at a price of Baht 10.25 per unit to the existing unitholders, in accordance with the resolution passed by the Meeting No.1/2011 of the Fund’s Unitholders, on 4 August 2011. This issue and offering of additional investment units is made in order to fund the acquisition of 11 factories that were not affected by the floods from the Company (out of the 26 factories approved by the meeting of the Fund’s unitholders).

36.4 On 17 February 2012, The Company sold investment units in TICON Property Fund (“the Fund”) of 5 million units at a price of Baht 10.6 per unit, or a total of Baht 53 million. As a result, the Company's percentage of shareholding in the Fund has decreased from 28.02 percent to 27.59 percent of the units of the Fund.

36.5 On 17 February 2012, The Company sold investment units in TPARK Logistics Property Fund (“the Fund”) of 1 million units at a price of Baht 11.3 per unit, or a total of Baht 11 million. As a result, the Company's percentage of shareholding in the Fund has decreased from 20.43 percent to 20.18 percent of the units of the Fund.

37. RECLASSIFICATION

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2, as the result of the adoption of revised and new accounting standards as described in Note 3 and the Company’s financial policy, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year’s classification, without any effect to the previously reported profit or shareholders’ equity. The reclassifications are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Statement of financial position as at				
31 December 2010				
<u>Assets</u>				
Trade accounts receivable, net	-	13,695	-	10,655
Current portion of operating leases receivables	-	12,787	-	8,314
Unbilled of work in progress under construction contracts	-	191	-	189
Other receivables-related parties	-	14,396	-	109,791
Trade and other receivables	41,592	-	130,923	-
Short-term loans to and accrued interest from subsidiary	-	-	-	1,398,766

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Other current assets	45,970	51,574	27,670	27,973
Long-term loans to related company	-	-	1,397,095	-
Deposit for purchase property	5,081	-	-	-
<u>Liabilities</u>				
Trade accounts payable	-	112,925	-	43,672
Other payable-related party	-	315	-	8,556
Trade and other payables	196,065	-	128,557	-
Other current liabilities	14,375	97,200	13,371	89,700

Income statements for the year ended

31 December 2010

Administrative expenses	190,041	148,109	156,264	114,962
Depreciation and amortization expenses	-	94,805	-	43,003
Depreciation	90,912	-	39,530	-
Management benefit expenses	-	38,039	-	37,829

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2012.

CERTIFICATION OF THE ACCURACY OF AUDITOR'S REMUNERATION DETAILS FOR THE FISCAL YEAR ENDED 31 DECEMBER 2011

Audit fee

No.	Company's name	Auditor's name	Audit fee (Baht)
1	TICON Industrial Connection Public Company Limited and its subsidiaries	Ernst & Young Office Limited (By Ms.Rungnapa Lertsuwankul)	1,400,000
Total Audit fee			1,400,000

Non-audit Fee

No.	Company's name	Non-audit service	Service provider	(Non-audit fee) (Baht)	
				Amount paid in the year	Amount to be paid later
1	TICON Industrial Connection Public Company Limited	Review significant differences between accounting principles generally accepted in Thailand and International Financial Reporting Standards	Ernst & Young Office Limited	-	230,000
2	TICON Industrial Connection Public Company Limited	Audit work papers review fee	Ernst & Young Office Limited	-	175,000
Total Non-audit fee				-	405,000

The foregoing information:

☒ is complete and accurate, and I certify that to the best of my knowledge there is no other remuneration paid by the Company to me and related persons and to the company I work for and its related persons.

☐ is not complete and not accurate in respect of

After making any necessary adjustments to the information contained in this form, I hereby certify that such information presents complete and accurate details of all Audit fees and Non-Audit fees paid by the Company to me and the audit firm that I work for.



(Ms. Rungnapa Lertsuwankul)

Ernst & Young Office Limited

Auditor of TICON Industrial Connection Public Company Limited



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