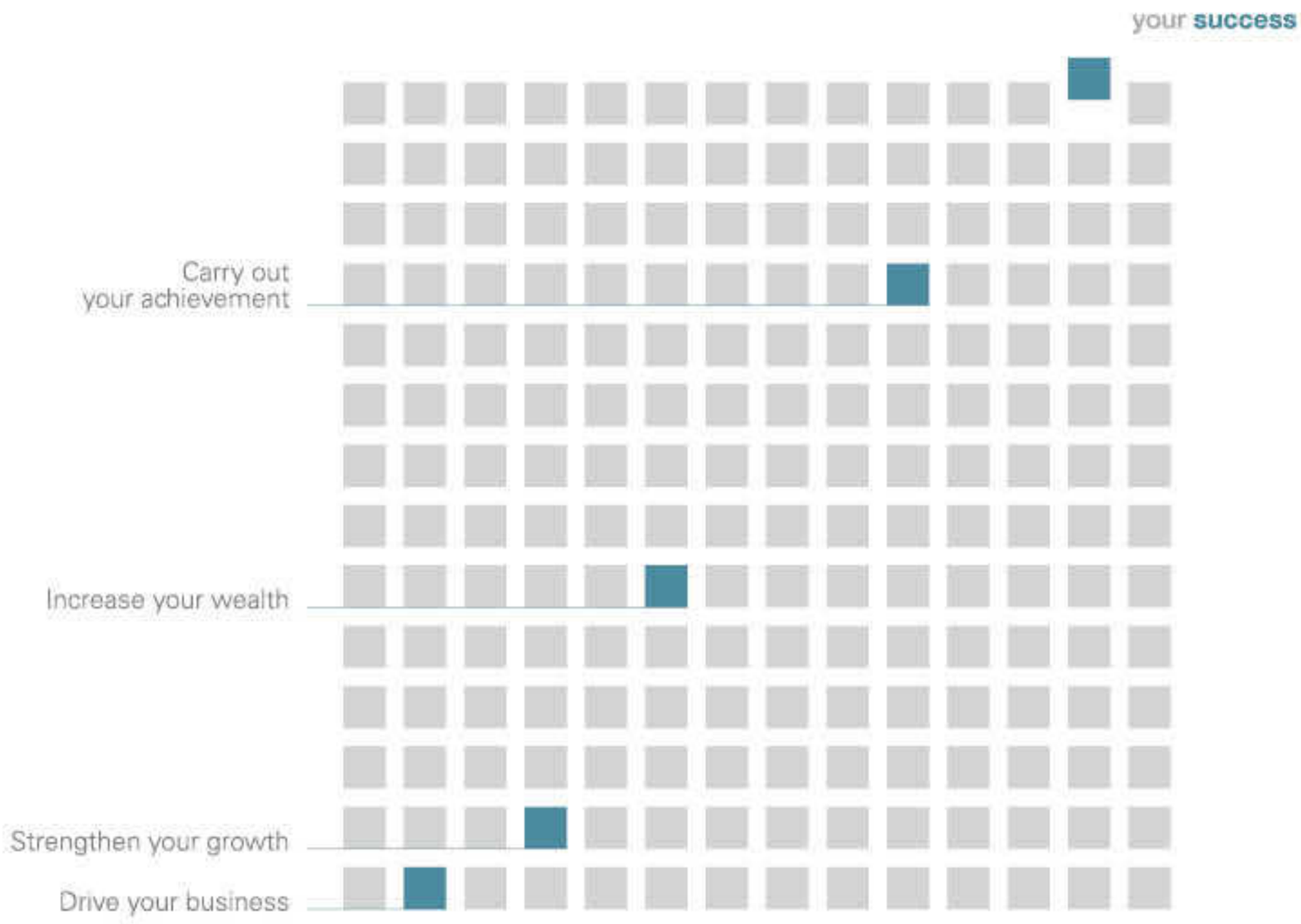
ANNUAL REPORT 2010

STEP TO
BUSINESS TRIUMPH

TILON



STEP TO **BUSINESS TRIUMPH**

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TICON Industrial Connection
Public Company Limited

STEP TO BUSINESS TRIUMPH

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MESSAGE FROM THE CHAIRMAN OF THE BOARD

2010 was a year of manufacturing recovery from the sharp cut-back in production in early 2009 and arrival of new investments into Thailand. The demand for factories and warehouses proved to be healthy and strong. Net leasing of factories and warehouses were four times larger than that of 2009.

Factories

The sharp cut-back in production in early 2009, mainly caused by global financial pressures to reduce inventories, was short-lived. The recovery of industrial production started from the 3rd quarter of 2009. Better yet, 2010 got off to a flying start and, despite the riots in Bangkok in April and May, the 2nd quarter saw manufacturing for exports grow at the rate of 30 – 40 % over that of the previous year; thereby further resulting in increased demand for factories.

From having a peak of 55 available factories in 2009, we had only 28 available at the end of 2010, little more than the number we aim to have available at any one time in order to give our new customers immediate choices. Net leasing for 2010 totaled 76,000 sq m as compared with 18,000 sq m in 2009.

Demand mainly came from the electronics sector (26% of net annual leasing), and from the auto sector (39%) for both existing and new product lines. Aside from the established pickup truck lines, the auto industry in Thailand is now diversified to include small saloon cars – in particular Eco cars – and is likely to create additional demand for factories from component suppliers for years to come.

Logistic Warehouse

With the manufacturing cut-back in early 2009, most logistic warehouse leasing activity during that year was to tenants in retail and consumer goods. As the industrial production returns to normal growth, the market demand for industrial logistics picked up.

Half of all leasing in 2010 were in the form of built-to-suit projects, thereby reducing developing risk. Following the leasing of 15,000 sq m to The Billennium Corporation for the distribution of products for F&N

Dairies's at TPARK Rojana (Ayutthaya) secured in late 2009, built-to-suit activities in 2010 include 14,000 sq m to Leschaco at TPARK Bangna, 21,000 sq m to DHL (for GM) at TPARK Eastern Seaboard, and expansion of Makro's facility at TPARK Wangnoi.

Net leasing in 2010 totaled 79,000 sq m, as compared to less than 20,000 sq m in 2009. From 3 locations (Bangna, Laemchabang, and Wangnoi) in late 2009, TICON had increased its presence to 7, with land acquisitions in Ayutthaya, Ladkrabang, Amata Nakorn and Eastern Seaboard. This gives TPARK competitive advantage in location choices for both built-to-suit and standard projects.

Investment Activity

Over the past years, TICON has sponsored two publicly-listed property funds. TICON Property Fund (TFUND) has been in establishment for more than 5 years now, and has a strong track record of stable income and dividend distribution – even during the difficult period of the first half of 2009. TPARK Logistics Property Fund (TLOGIS) was launched in November 2009 and has gained similarly strong recognition – with an added bonus of guaranteed fund income of 7% for the first 7 years of the Fund's life. Both TFUND and TLOGIS unit prices almost consistently trade well above par. At the end of 2010, TICON held 28% of TFUND and 20% of TLOGIS.

In October 2010, TFUND had successfully completed its capital increase to acquire assets from TICON, via rights offering only. The demand was so strong that the issue was fully subscribed. The asset sales to TFUND raised 1,707.25 m Baht for TICON. With both funds having combined net assets value of around 12 billion Baht, TICON significantly benefits from recurring income – in the form of management fees, dividends and, in the case of TLOGIS, profit sharing.

Overall Performance

Earnings for 2010 increased 25.7 percent from 2009. The improvement was mainly as a result of increased sales to TFUND, and increased rental income.

Expansion

Greater competition in developed markets drives further production outsourcing and industrial diversification. Such trend presents opportunities for larger demand for bigger built-to-suit factories, and expansion facilities of our existing customers.

Demand for logistics warehouses is likely to grow with production demand, consumer spending, and the desire by logistics operators to upgrade and consolidate into better quality distribution space.

Shanghai TICON Investment Management Co., Ltd. was established in 2010, with an office in Shanghai, to focus on research and seeking opportunities in the Chinese market.

Outlook

Global financial difficulties may adversely impact the Thai economy, but a subdued market for manufactured goods in Europe and North America, together with the increased price competition, should continue to encourage further manufacturing outsourcing from West to East. This should benefit Thailand and TICON.

Thailand appears to be in a good position for growth in many fronts. Thai politics remains an issue. The wish is that the conflicts can be contained within political forum without violence and disturbance. As such, the strong growth of the Thai economy should bear its course.

(Mr. Chali Sophonpanich)
Chairman of the Board

REPORT OF THE AUDIT COMMITTEE ON CORPORATE GOVERNANCE FOR THE YEAR 2010

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.

The Audit Committee has performed its duties to monitor the Company corporate governance, including internal control, risk management, transparency of the management team and benefit protection for all stakeholders. During the year 2010, the Committee held four meetings. Mr. David Desmond Tarrant and Mr. Threekwan Bunnag attended four meetings, and Mr. Chatchaval Jiaravanon attended three 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 Committee has reviewed the Company's quarterly and annual financial statements of 2010 to ensure the correctness of the financial report and the adequacy of information disclosure. 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 law 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 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 Ordinary 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 2010, the Audit Committee has appointed Ms. Rungnapa Lertsuwankul, Certified Public Accountant Registration number 3516 of Ernst & Young Office Limited, to serve as the Company's external auditor for the second year.

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

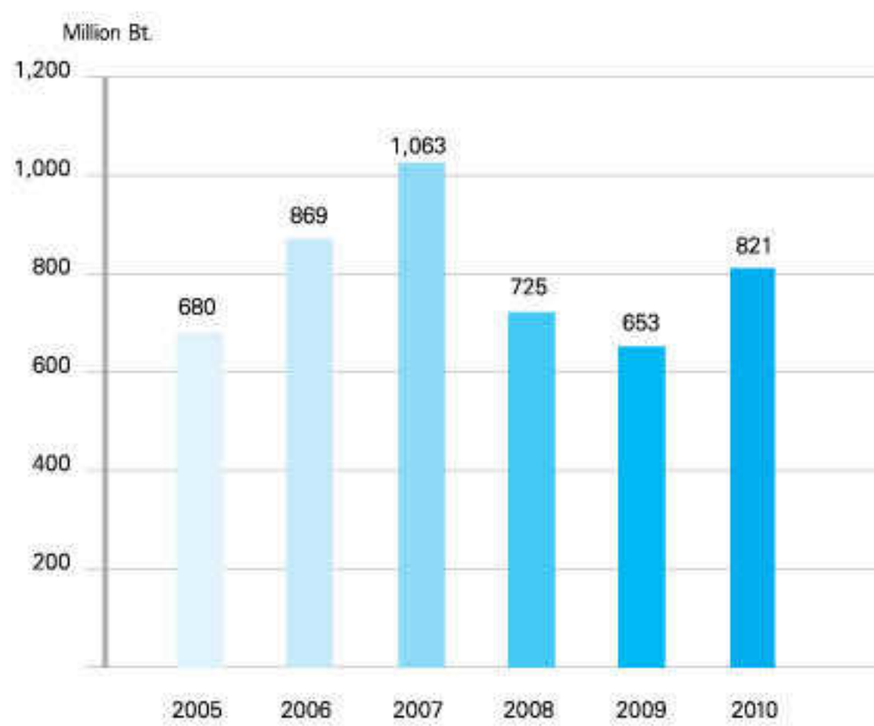
FINANCIAL HIGHLIGHTS

Unit : Million Baht

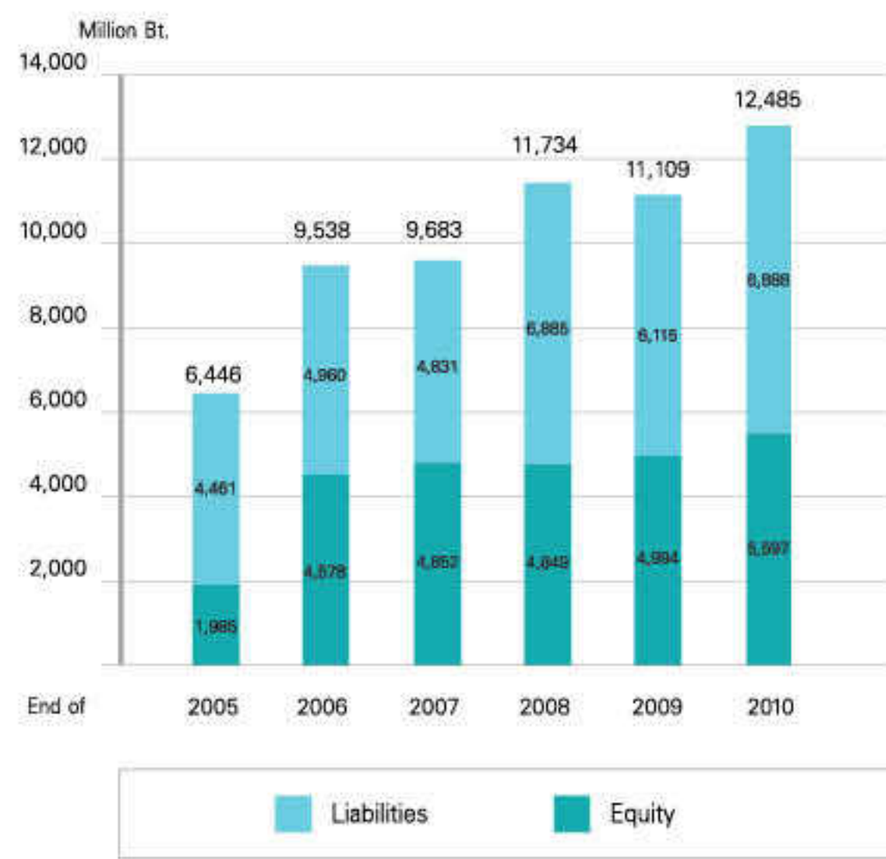
	2008	2009	2010
Sales of properties to TFUND/TLOGIS	2,205.20	1,530.00	1,737.75
Rental and service income	811.65	809.23	850.87
Sales of properties to customers	58.67	-	157.18
Properties Management fee from TFUND/TLOGIS	77.16	77.73	107.49
Share of profit from investment in TFUND/TLOGIS	86.57	158.67	168.59
Realized additional gain on sales of properties to TFUND	16.53	-	38.90
Cost of sales of properties to TFUND/TLOGIS	1,298.03	1,052.33	959.25
Cost of rental and service	189.07	198.52	194.49
Cost of sales of properties to customers	39.86	-	95.67
Selling and administrative expenses	261.55	266.46	294.68
Net profit	724.86	653.28	821.10
Assets	11,734.07	11,109.07	12,484.63
Liabilities	6,884.53	6,115.49	6,887.64
Shareholders' equity	4,849.53	4,993.57	5,596.99
Return on equity (%)	14.94	13.27	15.51
Return on fixed assets (%)	11.26	10.15	12.07
Dividend pay-out (%)	72.63	82.28	95.11*

*Including the amount to be paid for shares assumed to be converted from all remaining TICON-W4 warrants in March 2011.

Net profit

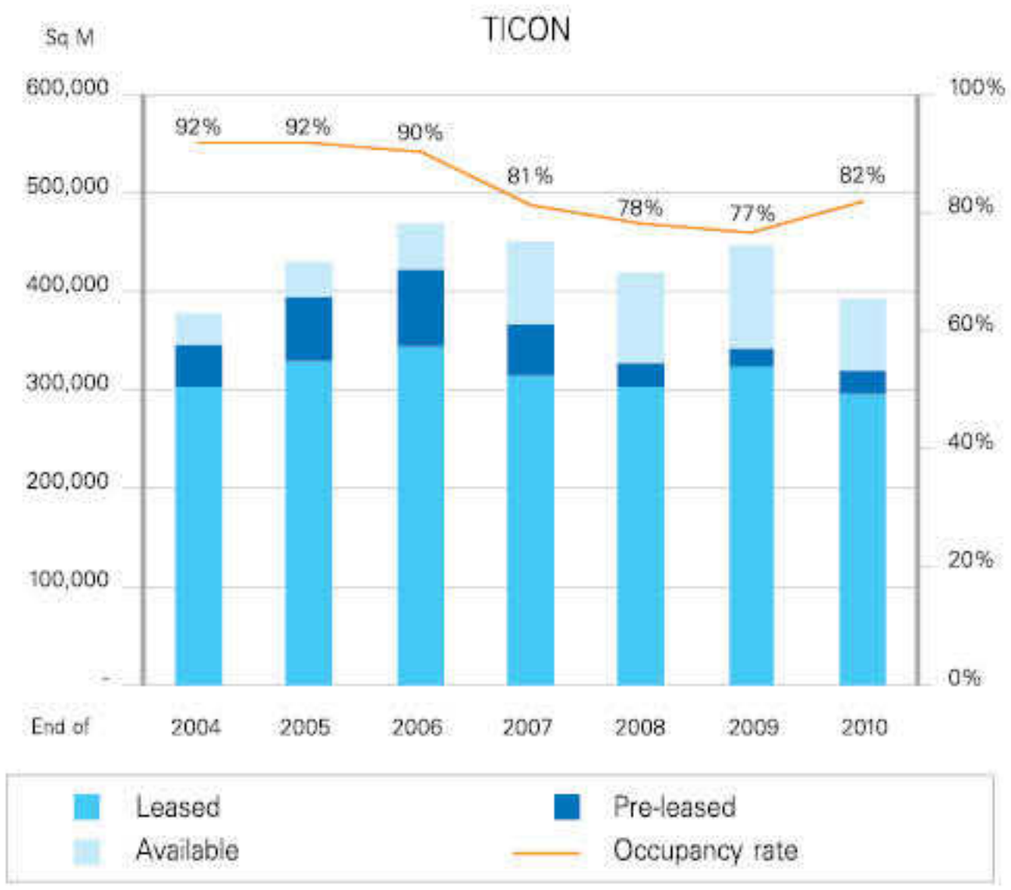


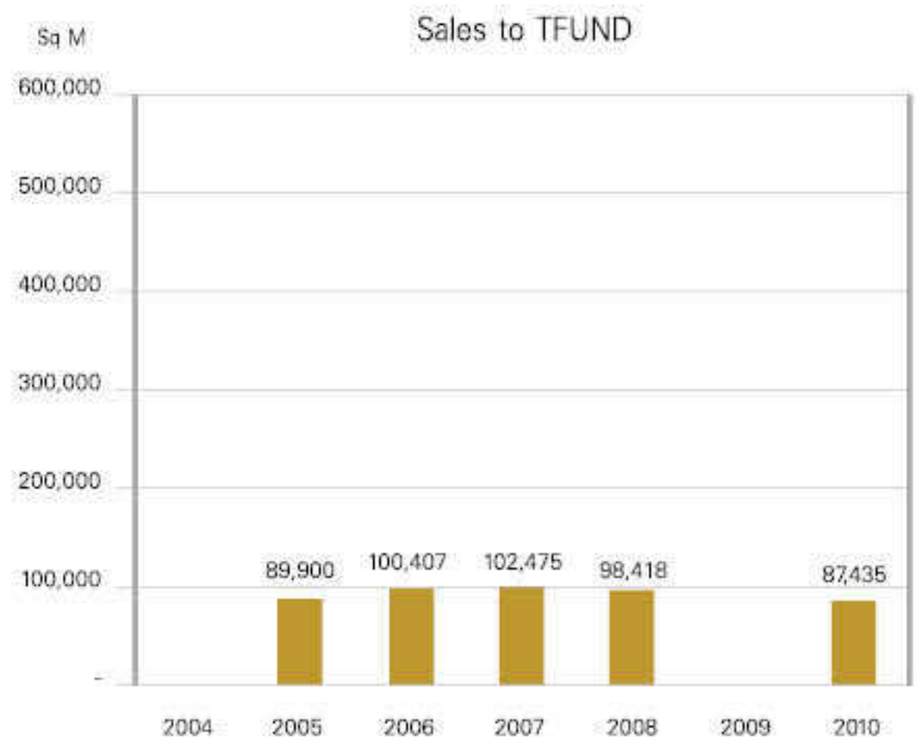
Total Assets



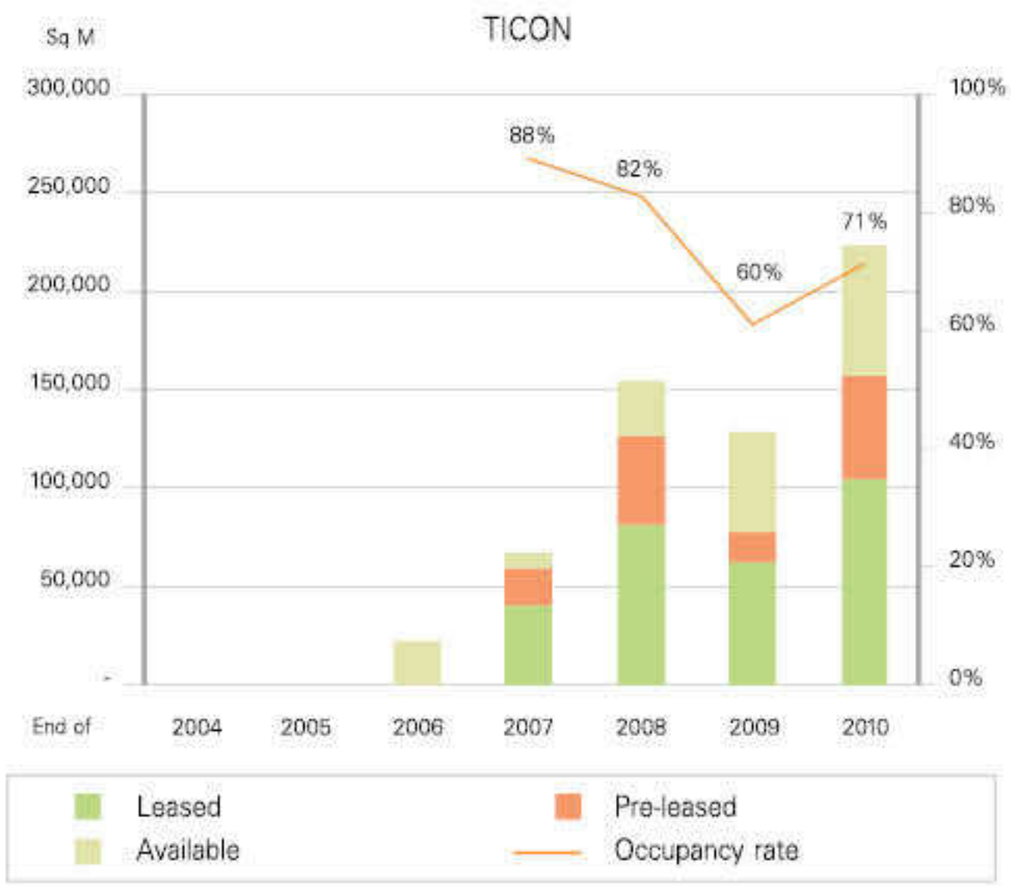
FACTORY/WAREHOUSE

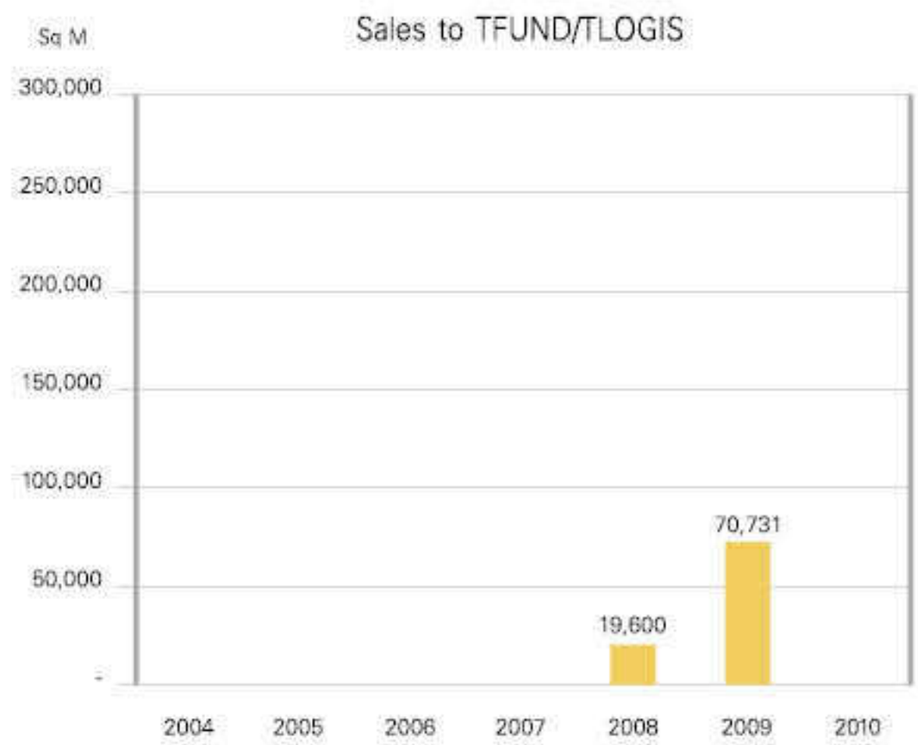
Factory



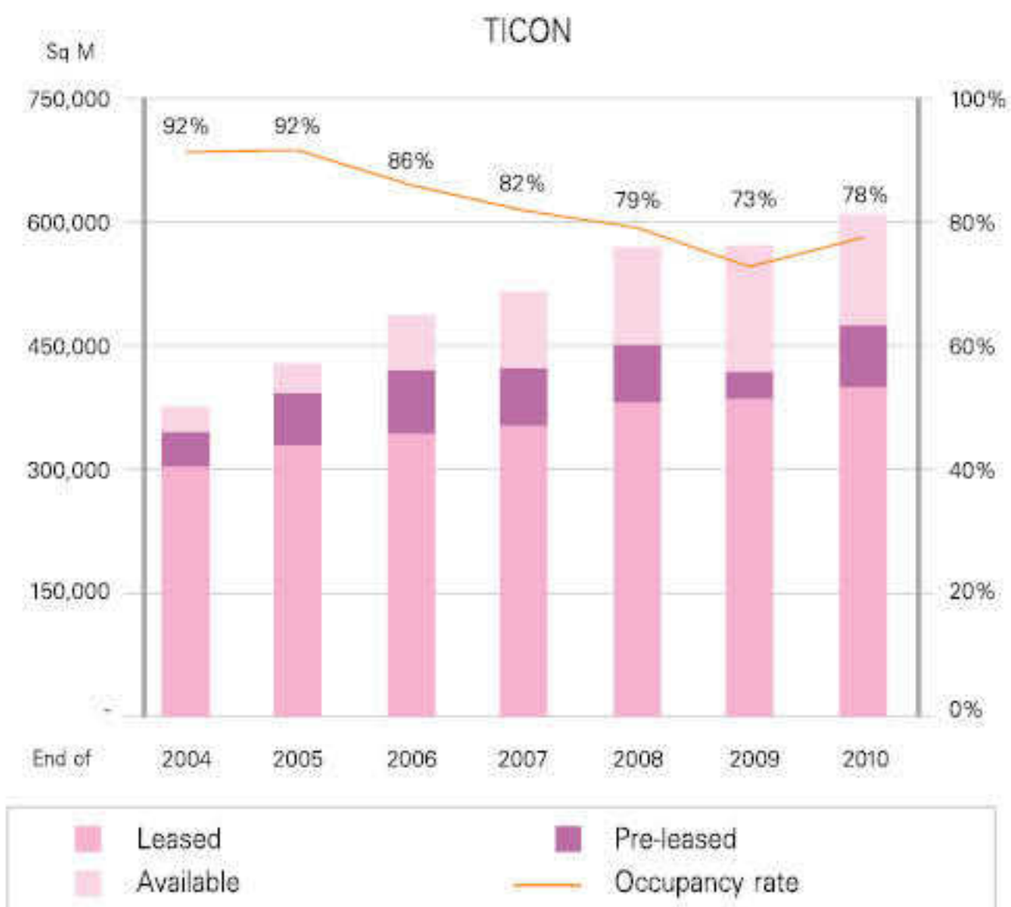


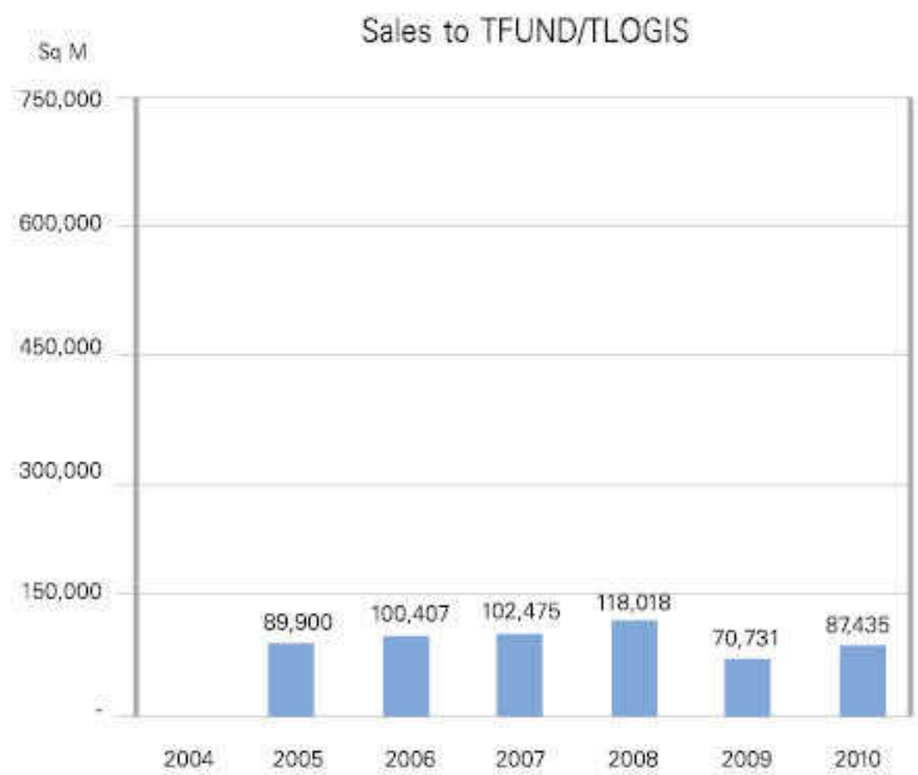
Warehouse



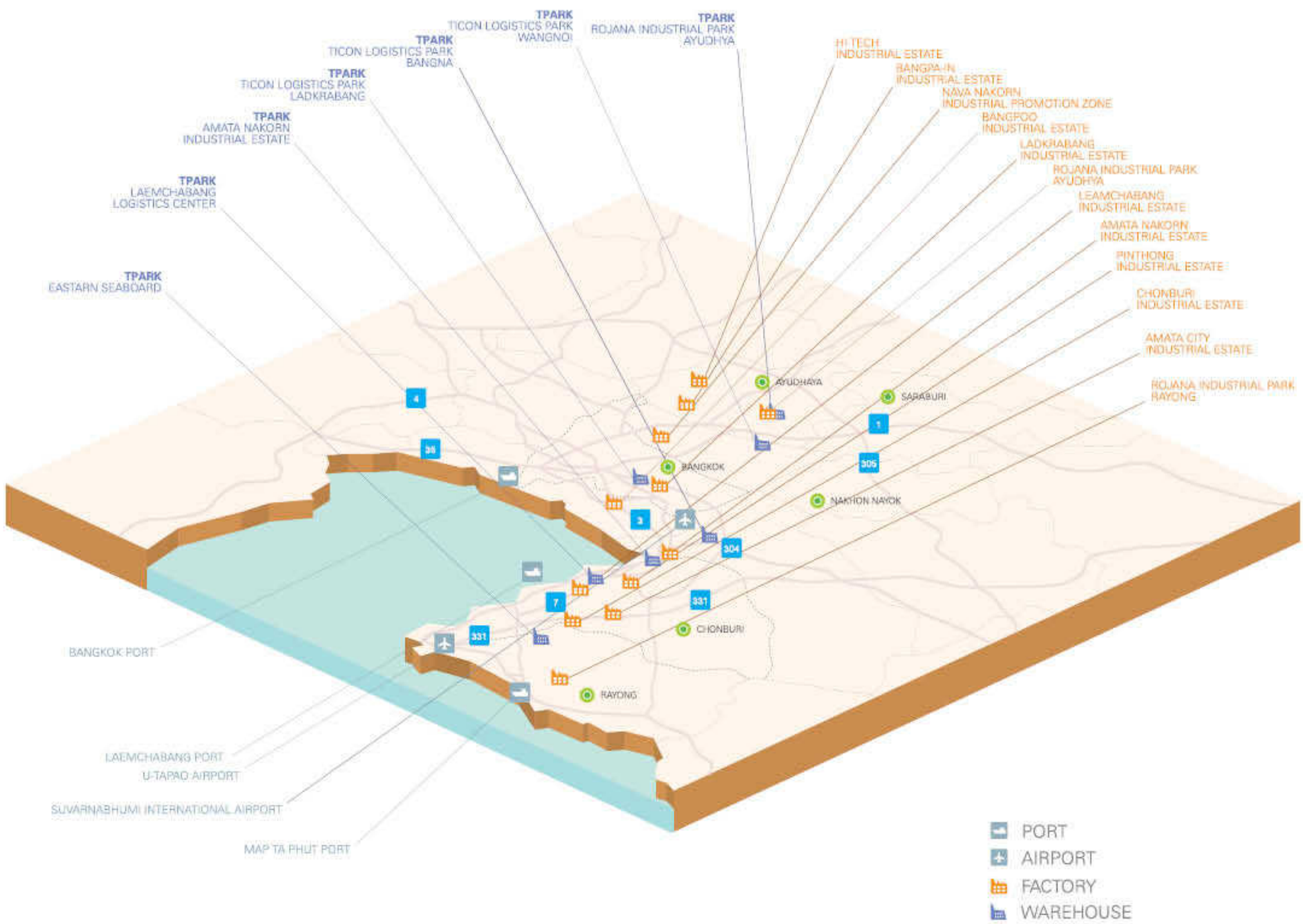


Factory & Warehouse





FACTORY/WAREHOUSE LOCATIONS



SOCIAL RESPONSIBILITIES

Planting mangrove forest at Bangpoo Seaside Samutprakan province

Donating learning equipment to school Tak province

Donating jackets and blankets Phetchabun province

BOARD OF DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

Mr. Chali Sophonpanich
Chairman of the Board

Age 50 years

Education
- Master of Business Administration, The University of Chicago
- Director Certification Program, Thai Institute of Directors Association

Shareholding
0.83 percent (as at March 11, 2011)

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 68 years

Education
- Diploma : International Business, London School of Foreign, London
- Director Accreditation Program, Thai Institute of Directors Association

Shareholding
0.14 percent (as at March 11, 2011)

Relationship among Director/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 60 years

Education
- Master of Business Administration, George Washington University
- Director Accreditation Program, Thai Institute of Directors Association

Shareholding
- None - (as at March 11, 2011)

Relationship among Director/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)
1997 - 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 53 years

Education
- Master of Business Administration, The University of Chicago

Shareholding
6.80 percent (as at March 11, 2011)

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

Mr. Pote Videtyontrakich
Director

Age 58 years

Education
- Master of Business Administration, Harvard Business School
- Director Certification Program, Thai Institute of Directors Association
- Chairman 2000 Program, Thai Institute of Directors Association

Shareholding
- None - (as at March 11, 2011)

Relationship among Directors/Management
- None -

Related experience
- None -

Mr. Virapan Pulges
Director and Managing Director

Age 50 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
0.58 percent (as at March 11, 2011)

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 68 years

Education
- Fellow of the Institute of Chartered Accountants in England & Wales
- Director Accreditation Program, Thai Institute of Directors Association

Shareholding
0.07 percent (as at March 11, 2011)

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 49 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 11, 2011)

Relationship among Directors/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 54 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
0.24 percent (as at March 11, 2011)

Relationship among Directors/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)
2007 - Present Independent Director and Audit Committee, Living Land Capital Public Co., Ltd. (Property)

MANAGEMENT

Mr. Somsak Chaiyaporn	General Manager
Age	• 59
Education	• Docteur Ingenieur (Mecanique), Ecole Centrale de Lyon
Shareholding	• 0.13 percent (as at March 11, 2011)
Relationship among Directors/Management	• - None -
Related experience	• 2001 – Present General Manager, Eco Industrial Services Co., Ltd. (Factories for rent)

Mr. Pornthep Pisalangkul	Head of Project Development
Age	• 54
Education	• Bachelor of Architect, Chulalongkorn University
Shareholding	• 0.13 percent (as at March 11, 2011)
Relationship among Directors/Management	• - None -
Related experience	• - None -

Mr. Somsak Ratanavirakul	Head of Marketing
Age	• 51
Education	• Master of Business Administration, Chulalongkorn University
Shareholding	• 0.001 percent (as at March 11, 2011)
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	• 48
Education	• Bachelor of Business Administration, Assumption University
Shareholding	• 1.90 percent (as at March 11, 2011)
Relationship among Directors/Management	• - None -
Related experience	• - None -

Miss Lalitphant Phiriyaphant	Head of Finance and Company Secretary
Age	• 45
Education	• Master of Economics, Thammasat University
Shareholding	• 0.01 percent (as at March 11, 2011)
Relationship among Director/Management	• - None -
Related experience	• - None -

Mr. Komkrit Laowakoon	Head of Accounts
Age	• 37
Education	• Master of Science (Computer Information System), Assumption University • CFO Certification Program, Federation of Accounting Professions
Shareholding	• - None - (as at March 11, 2011)
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, 13/1th 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 1,037,252,920 (as at January 6, 2011)
Paid-up capital	Baht 699,697,720 (as at January 6, 2011)
Par value	Baht 1 per share

SUBSIDIARIES

Eco Industrial Services Company Limited

Type of business	Same business as TICON's
Shareholder	TICON Industrial Connection Public Co., Ltd. holds 99.99 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 January 6, 2011)
Paid-up capital	Baht 50,000,000 (as at January 6, 2011)
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 99.99 percent.
Head office address	Suite 1308, 13/1th Floor, Sathorn City Tower, 175 South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120 Tel: (662) 679-6565 Fax: (662) 287-3153
Website	www.ticonlogistics.com
E-mail address	logistics@ticon.co.th
Registered capital	Baht 2,500,000,000 (as at January 6, 2011)
Paid-up capital	Baht 2,500,000,000 (as at January 6, 2011)
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 January 6, 2011)
Paid-up capital	USD 400,000 (as at January 6, 2011)

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. 33rd 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

The recovery of the global economy late 2009 resulted in an increase in production to serve higher demand for goods and services. Factory and warehouse rental space was therefore in greater demand, even during the period of local political unrest in April/May 2010 which somewhat delayed investors' decision-making in the short term.

TICON achieved a net increase in leased factory/warehouse space during 2010 4 times greater than that in 2009. Its occupancy rate increased to about 80 percent, resulting from higher demand for leased space and lower lease terminations.

The Company made more investment in land and factories/warehouses development to serve such higher demands. Part of the funding was from sales of factories/warehouses to property funds, i.e. TFUND and TLOGIS, as usual. The sales have enlarged the funds' assets size which consequently increased the Company's tax-free dividend income and property management income.

In the middle of last year, the Company established a subsidiary, named Shanghai TICON Investment Management Co., Ltd, to explore business opportunity in China. A feasibility study has been undertaken for potential business.

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	Chonburi	BOI Zone 2
TICON Logistics Park-Wangnoi	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	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.

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

1. Eco Industrial Services Co., Ltd. ("EISCO")

TICON holds a 99.99 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 January 6, 2011, 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 99.99 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 a group of warehouses in Rojana Industrial Park-Ayudhya.

As of January 6, 2011, 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 Co., Ltd.

Shanghai TICON Investment Management Co., Ltd. is TICON's in wholly-owned subsidiary. It was established in China, in July 2010, for the purpose of engaging in new business in China. Presently, it has been undertalking research and feasibility studies for investment.

Shanghai TICON Investment Management Co., Ltd. has registered capital of USD 2 million, and paid-up capital of USD 0.4 million.

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 9,847 million. TFUND raised capital for the first time in 2005, following with another four rounds of capital raising in 2006-2008 and 2010. The raised capital was used to acquire factories and warehouses from TICON which presently

including 201 factories (usable area totaling 463,760 square metres) and 8 warehouses (usable area totaling 19,600 square metres). 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, equating to approximately 0.92 percent of TFUND's net assets value ("NAV") per annum.

TFUND has a policy to pay dividends of not less than 90 percent of net profit of TFUND, which is not subject to corporate income tax. The payment will be made at least twice a year. As at December 31, 2010, the NAV of TFUND was Baht 10.8743 per unit.

At the end of December 2010, 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 1,533 million. In 2009, TLOGIS made the first investment in 15 warehouses (usable area totaling 70,731 square metres) from TPARK, with the value of Baht 1,530 million. The Fund's income at least 118.5 million is guaranteed by TICON for 7 years from January 1, 2010 to December 31, 2016. TPARK are not subject to any obligation to buy back these properties.

TICON was selected as the property manager for TLOGIS. In addition, TICON will receive a profit sharing as a property management fees, equating to approximately 0.95 percent of TLOGIS's net assets value ("NAV") per annum.

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, 2010, the NAV of TLOGIS was Baht 10.4524 per unit.

At the end of December 2010, TICON held a 19.66 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 2008, 2009 and 2010, TICON's factory portfolio are as follows:

	End of 2008		End of 2009		End of 2010	
	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	107	302,640	115	324,550	101	296,825
Pre-leased	12	24,675	9	17,650	8	23,850
Available	34	91,035	41	104,425	28	71,015
Under construction	25	65,250	10	27,700	11	25,000
Under site preparation	57	127,925	61	141,875	68	164,950
Total	235	611,525	236	616,200	216	581,640

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

	2008		2009		2010	
	No. of factory (Unit)	Building Area (Sq M.)	No. of factory (Unit)	Building area (Sq M.)	No. of factory (Unit)	Building area (Sq M.)
Sales to Property Fund	39	98,418	-	-	36	87,435

The average occupancy rate of factories in 2010 increased from 2009 to the normal rate at above 80 percent, as shown in the following table, due to higher demand for leasing and lower non-renewal rates, as a result of the recovery of foreign direct investment, especially in the auto sector.

The average occupancy rate of factories

	2008	2009	2010
Average occupancy rate (%)	81	73	81

At the end of 2010, 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	52.0	1. Japan	53.8
2. Auto parts	17.9	2. Europe	12.4
3. Foods	9.9	3. Thailand	10.6
4. Logistics and warehouse	2.0	4. Singapore	8.5
5. Metal	2.1	5. Canada	7.7
6. Others (e.g. Plastic, Fashion, etc.)	16.1	6. Others (e.g. United State, Malaysia, etc.)	7.0
Total	100.0	Total	100.0

Note : The percentages were calculated based on rental and services income received in December 2010.

b. High quality logistics warehouses

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

Logistics is our 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 at strategic locations. TPARK Laemchabang is located near Laemchabang deep sea port. TPARK Bangna is located on the route between Bangkok and Laemchabang and not far from Suvarnnabhumi International Airport. The Park is, therefore, advantageous for distribution of goods via all channel, i.e.

by air, sea and land. TPARK-Wangnoi is located at a good location, suitable for distributing goods around Bangkok and to the North/North-east. The Free Zone is also arranged in both logistics parks to serve entrepreneurs who are importers/exporters. In 2009, the Company expanded its warehouse development in Rojana Industrial Park-Ayudhya, as required by a customer who has existing business in the park. In 2010, the Company acquired additional land plots in Amata Nakorn Industrial Estate, and in the areas near to Ladkrabang Industrial Estate and Eastern Seaboard Industrial Estate, in order to provide warehouses for the manufacturers in such areas, as well as to seek more opportunities for expansion.

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 2008, 2009 and 2010, TPARK's warehouse portfolio are as follows:

	End of 2008		End of 2009		End of 2010	
	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	16	80,246	15	61,580	27	103,370
Pre-leased	8	44,970	2	15,180	6	52,330
Available	7	27,580	12	50,540	13	64,904
Under construction	22	79,895	17	50,118	11	27,550
Under site preparation	21	135,183	32	137,058	35	127,718
Total	74	367,874	78	314,476	92	375,872

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

	2008		2009		2010	
	No. of warehouse (Unit)	Building Area (Sq M.)	No. of warehouse (Unit)	Building area (Sq M.)	No. of warehouse (Unit)	Building area (Sq M.)
Sales to Property Funds	8	19,600	15	70,731	-	-

In 2010, leased warehouses increased substantially from the previous year due to the recovery of investment as mentioned. However, the average occupancy rate of warehouses in 2010 decreased from 2009 since the Company sold a number of warehouses to TLOGIS in late 2009, as shown in the table above. In addition, the Company developed more warehouses to accommodate the larger demand.

The average occupancy rate of warehouses

	2008	2009	2010
Average occupancy rate (%)	83	76	72

At the end of 2010, 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	25.6	1. Japan	22.3
2. Electronics and electrical	23.6	2. Australia	15.3
3. Consumer product	14.6	3. Thailand	15.2
4. Wholesaler/Retailer	14.4	4. France	14.6
5. Food	11.8	5. Netherlands	14.3
6. General Logistics	4.8	6. Germany	12.4
7. Others	5.2	7. Others (e.g. Korea, United State, etc.)	5.9
Total	100.0	Total	100.0

Note : The percentages were calculated based on rental and services income received in December 2010.

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 Company will obtain these for them.

- 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	2008		2009		2010	
	Baht mil.	%	Baht mil.	%	Baht mil.	%
Sales of properties to TFUND/TLOGIS	2,205.20	64.45	1,530.00	58.44	1,737.75	55.33
Rental and service income	811.65	23.72	809.23	30.91	850.87	27.09
Sales of properties to tenants	58.67	1.71	-	-	157.18	5.00
Properties management fee from TFUND/TLOGIS	77.16	2.26	77.73	2.97	107.49	3.42
Share of profit from investment in TFUND/TLOGIS	86.57	2.53	158.67	6.06	168.59	5.37
Realised additional gain on sales of properties to TFUND/TLOGIS	16.53	0.48	-	-	38.90	1.24
Other income	165.68	4.84	42.53	1.62	80.16	2.55
Total	3,421.46	100.00	2,618.16	100.00	3,140.94	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 High quality warehouses for rent

a. The concept of high quality 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 Q3/2010, TICON had a total market share of 65 percent of the standard factories for rent market under management (of which 30 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

Presently, competition in leased factories/warehouses market is still moderate. The new developers entering the market need much capital to launch the business. In addition, they may take some time to provide buildings together with associated services at competitive rents in large quantity and location diversity.

8. PRODUCTION

The Company builds its factories/warehouses on plots of land with its own design and construction team. Consequently, the Company has flexibility to manage construction and can better 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 ASSOCIATED WITH THE COMPANY'S BUSINESS

As the Company's business is to provide standard factories/warehouses for rent on mostly three-year lease terms with options to renew, TICON might be affected from non-renewal of leases.

However, over the past 20 years since the Company's establishment, most customers have renewed leased contracts even during the global economic crisis or the local political turmoil. This reflected leasing as a favourable choice during the crisis. Moreover, with standard buildings and strategic locations, which can serve a wide range of demand, the Company can find new tenants to replace those who vacate buildings relatively easily.

2. 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.

No industrial estate developer has developed the same kind of warehouses for rent as the Company's.

3. 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 1.01583 shares for 1 warrant, at the exercise price of Baht 19.688 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 January 6, 2011)		
Number of paid-up shares	699,697,720	shares
Percentage of shareholding	100	%
After full exercise of TICON-W3		
Number of paid-up shares	922,519,830	shares
Percentage of shareholding	75.85	%
Dilution of shareholding	24.15	%

4. RISK RELATED TO DILUTION EFFECT FROM THE EXERCISE OF TICON-W4

In May, 2009, TICON offered 109,677,073 warrants to its existing shareholders ("TICON-W4"). 1 warrant is exercisable for 1.01164 ordinary shares, at a price of Baht 7.908 per share. As at January 6, 2011, 80,298,522 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-W4 (as at January 6, 2011)		
Number of paid-up shares	699,697,720	shares
Percentage of shareholding	100	%
After full exercise of TICON-W4		
Number of paid-up shares	780,930,916	shares
Percentage of shareholding	89.60	%
Dilution of shareholding	10.40	%

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 1.01164 ordinary shares, at a price of Baht 7.908 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 January 6, 2011)		
Number of paid-up shares	699,697,720	shares
Percentage of shareholding	100	%
After full exercise of TICON-W5		
Number of paid-up shares	732,963,478	shares
Percentage of shareholding	95.46	%
Dilution of shareholding	4.54	%

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, TICON-W4 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 2010, 54 percent of the Company's tenants were manufacturers from Japan, and 52 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.

The Company believes that such risk would have little impact since its tenants in these sectors are diversified among various sub-sectors.

The Company believes that with the competitive advantage in overall production cost, the Japanese manufacturers will see Thailand as a favourable location among Asian countries. Even in 2010, though some Japanese tenants vacated, the new tenants were mostly Japanese as well. This also happened with tenants in the electronics sector. New leases from Japanese manufacturers, and manufacturers in the electronics sector, were three times more than contract terminations from such manufacturers.

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 2010, the Company had 68 factories and 35 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.

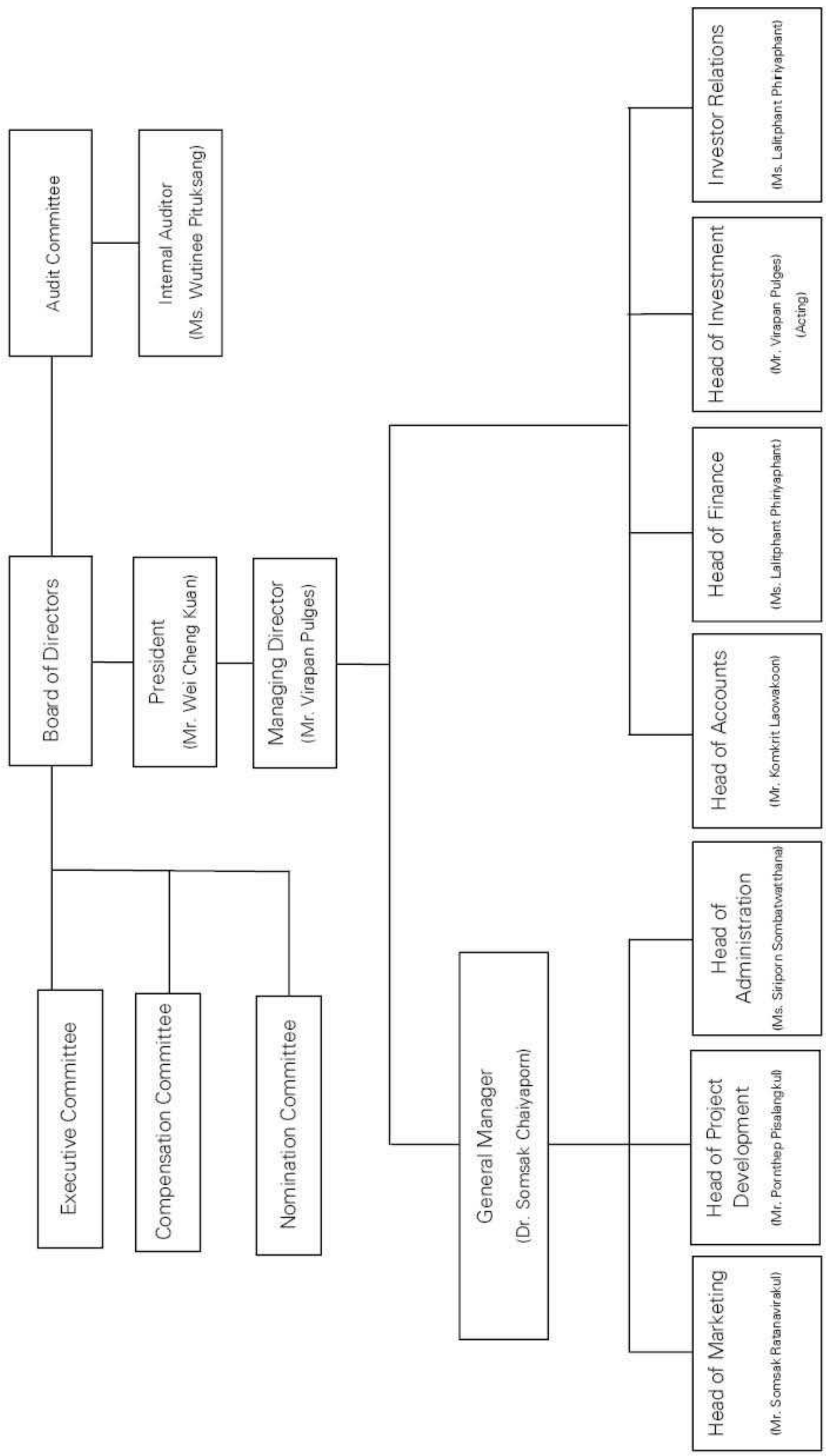
SHAREHOLDING STRUCTURE

Shareholders	As of March 11, 2011	
	No. of Shares	%
1. Rojana Industrial Park Group		
Rojana Industrial Park Public Co., Ltd.	142,679,892	20.39
Mr. Direk Vinichbutr	1,000,700	0.14
	143,680,592	**20.53**
2. City Realty Group		
City Villa Co., Ltd.	28,569,000	4.08
Mrs. Siriya Sophonpanich	5,375,782	0.77
City Realty Co., Ltd.	1,913,100	0.27
Mr. Chali Sophonpanich	450,000	0.06
	36,307,882	**5.19**
3. Directors/Managements/Related persons		
Mr. Wei Cheng Kuan (President) and spouse	47,589,902	6.80
Miss Siriporn Sombatwatthana (Head of Administration) and spouse	13,320,000	1.90
Mr. Virapan Pulges (Managing Director) and spouse	4,069,831	0.58
Mr. Threekwan Bunnag (Director) and spouse	1,684,615	0.24
Mr. Pornthep Pisalangkul (Head of Project Development)	937,360	0.13
Mr. Somsak Chaiyaporn (General Manager)	928,800	0.13
Mr. David Desmond Tarrant (Director and Chairman of the Audit Committee)	458,589	0.07
Miss Lalitphant Phiriyaphant (Head of Finance)	35,576	0.01
Mr. Somsak Ratanavirakul (Head of Marketing)	3,832	0.00
	69,028,505	**9.87**
4. Thailand Equity Fund	**37,079,800**	**5.30**
5. Mr. Pracha Kijworametha	**38,398,821**	**5.49**
6. Sathorn City Tower Property Fund	**28,108,100**	**4.02**
7. Mrs. Suchada Leesawattrakul	**23,028,400**	**3.29**
8. HSBC (Singapore) Nominees PTE Ltd.	**21,879,688**	**3.13**
9. Thai N.V.D.R. Limited	**18,845,575**	**2.69**
10. The Bank of New York (Nominees) Group	**18,138,700**	**2.59**
11. Others	**265,201,657**	**37.90**
Total	**699,697,720**	**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.

1. MANAGEMENT STRUCTURE

MANAGEMENT



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 nine 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. Pote Videtyontrakich	Director
6.	Mr. Virapan Pulges	Managing Director
7.	Mr. David Desmond Tarrant	Chairman of the Audit Committee
8.	Mr. Chatchaval Jiaravanon	Audit Committee member
9.	Mr. Threekwan Bunnag	Audit Committee 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 Group and Mr. Pote Videtyontrakich represents the Thailand Equity Fund.

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 four 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
4.	Mr. Pote Videtyontrakich	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 Chaiyaporn	General Manager
4.	Mr. Pornthep Pisalangkul	Head of Project Development
5.	Mr. Somsak Ratanavirakul	Head of Marketing
6.	Miss Siriporn Sombatwatthana	Head of Administration
7.	Miss Lalitphant Phiriyaphant	Head of Finance and Company Secretary
8.	Mr. Komkrit Laowakoon	Head of Accounts

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

2.1 Compensation in cash

In year 2010, the compensations, recorded on an accrual basis, paid to Directors and Audit Committee's members are as follows:

Directors	Meeting allowance (Baht)		Bonus (Baht)
	Board	Audit Committee	
Mr. Chali Sophonpanich	120,000	-	1,455,000
Mr. David Desmond Tarrant	50,000	40,000	1,235,000
Mr. Direk Vinichbutr	30,000	-	1,145,000
Mr. Jirapongs Vinichbutr	60,000	-	1,145,000
Mr. Wei Cheng Kuan	30,000	-	1,145,000
Mr. Virapan Pulges	60,000	-	1,145,000
Mr. Pote Videtyontrakich	50,000	-	545,000
Mr. Threekwan Bunnag	60,000	40,000	1,030,000
Mr. Chatchaval Jiaravanon	30,000	30,000	545,000
Total	490,000	110,000	9,390,000

During the same period, the compensations, recorded on an accrual basis, paid to the Company's Management totaling 8 persons are as follows:

	Amount (Baht)
Salary	17,986,400
Bonus	5,099,600
Provident fund and social security fund	753,276
Total	23,839,276

2.2 Other compensations

No other compensation was paid to Directors and Management in 2010.

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, 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 3 directors absent the 2010 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 9 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 2010.

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

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 2010 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, 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 members in year 2010.

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

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 4 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 members in year 2010.

	Number of attendance (1 meeting in total)
1. Mr. Chali Sophonpanich	1
2. Mr. David Desmond Tarrant	1
3. Mr. Jirapongs Vinichbutr	1
4. Mr. Pote Videtyontrakich	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 members in year 2010.

	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 the IR contact person.

Name	Position	E-mail	Address
Ms. Lalitphant Phiriyaphant	Head of Finance	lalitphant.p@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 regular meetings at TICON's offices requested by investors/analysts, and a site visit once a year, TICON also participates in investors meetings, Opportunity Days, arranged by the Stock Exchange of Thailand each quarter, as well as local/international roadshows arranged by brokers. These activities help investors not only to understand more about TICON, but also to enhance their relationships 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:

- Donating jackets and blankets to people in Na Sa Ung village, Phetchabun province

- Planting mangrove forest, arranged by the Industrial Estate Authority of Thailand, at Bangpoo Seaside, Samutprakan province

- Renovating Mueang Kwak temple, located in Lamphun province

- Donating learning equipment and medicine to Umphang Witthayakom School located in Tak province

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors' Meeting No. 1/2011 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 an 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.

CONNECTED TRANSACTIONS

Over the past years, the Company has acquired a number plots of land for factory development from Rojana Industrial Park Public Co., Ltd. ("Rojana"). The land is located on Rojana Industrial Park - Ayudhya and Rojana Industrial Park - Rayong. 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 2010, the Company purchased a plot of land from Rojana, according to To Buy and To Sell Land agreement dated January 15, 2010, amounting to Baht 51.74 million.

As at December 31, 2010, there was no accrued expense in regard to this transaction.

Opinion of the Audit Committee

The Audit Committee has considered the connected transaction mentioned above by taking into consideration land prices in the surrounding area. The Committee was of the view that such transaction was of necessity, reasonable and determined at a fair market price with terms and 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. The transactions include the purchase of land from Rojana as mentioned above.

Necessity and Reasonableness of The Transactions

The transaction mentioned above is necessary for the Company's benefits and is as normal business practice. It was undertaken at a fair and reasonable market price as stated in the opinion of the Audit Committee.

Potential Future Connected Transactions

Future connected transactions are expected to be carried out as long as they provide benefits to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

1. OPERATING RESULTS

1.1 Revenues

Presently, income from sales of properties to TFUND/TLOGIS are the major portion of total revenues, due to substantial sales of factories/warehouses each year. However, the rental and service income remains important since the Company's main business is factories/warehouses development for rent.

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 is 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 other incomes; for instance, revenues from construction services and utility income. These incomes were a small portion of the total revenues.

1.1.1 Rental and services income

The Company had rental and service income in 2008, 2009 and 2010 of Baht 811.6 million, Baht 809.2 million and Baht 850.9 million, respectively. Cost of rental and services for such periods were Baht 189.1 million, Baht 198.5 million and Baht 194.5 million, respectively.

The rental and service income of 2008, 2009 and 2010 increased by 15.0 percent, decrease by 0.3 percent, and increased by 5.1 percent, respectively. The global economic recovery strenghtened rental and service income in 2010 as a result of more new leases as well as fewer lease terminations.

1.1.2 Income from sales of properties to TFUND and TLOGIS

The Company had income from sales of properties to TFUND and TLOGIS in 2008, 2009 and 2010 of Baht 2,205.2 million, Baht 1,530.0 million and 1,737.7 million, respectively.

Sales of properties to TFUND and TLOGIS each year depend on funding needs for business expansion.

1.1.3 Income from sales of factories to tenants

In 2008 and 2010, the Company had income from the sale of a factory to a tenant amounting to Baht 58.7 million, and 2 factories amounting to Baht 82.1 million, respectively. In addition, the Company had income from the sale of land to a tenant in 2010, amounting to Baht 75.1 million.

Sales to tenants do not occur regularly, depending on tenants' decisions under options to buy. The gross margin 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 TFUND and TLOGIS as well as the funds' profit.

Over the past three years, the Company had a share of profit from investment in associated companies under the equity method of Baht 86.6 million, Baht 158.7 million and Baht 168.6 million, respectively, representing 20.5 percent, 83.3 percent and 6.2 percent increase each year. This resulted from the increase in assets under management of the funds and the Company's greater stake in the funds.

2. Income from management of properties for TFUND and TLOGIS. Over the past three years, the Company had such income of Baht 77.2 million, Baht 77.7 million and Baht 107.5 million, respectively. The income should increase in the future due to the Company's policy in offering properties for sales to both funds periodically.

3. Gain on sales of investment in associated companies. In 2010, Company sold 42.6 million units of its investment in TFUND at a price of Baht 448.6 million in total. The Company gained Baht 28 million from the sales, recorded as other income.

   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 administrative expenses. In addition, 1 million units of its investment in TLOGIS was sold with a capital gain of Baht 0.2 million.

4. Realized additional gain on sales of factories to TFUND, which occurred when TFUND sold properties acquired from the Company to others, or when the Company reduced its stake in TFUND.

   In 2008 and 2010, the Company had income of Baht 16.5 million and Baht 38.9 million, respectively, as gain on the sales of factories to TFUND. In 2010, most

of the additional gain on sales was from reduction of the Company's stake in TFUND.

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 generated from the Company's provision of such work requested by tenants.

   Normally, the Company has a small income from construction/modification work. However, in 2008, the Company had such income of Baht 127.0 million, increased sharply from Baht 22.3 million in 2007. Almost 60 percent of the Baht 127.0 million was from construction of a factory for a customer.

2. Utilities income generated from the provision of temporary utilities for tenants during the period of obtaining the approval from relevant government agencies.

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

1.2 Expenses

1.2.1 Selling and administrative expenses

Selling and administrative expenses as percentages of total revenue were 7.9 percent, 10.8 percent and 10.1 percent, over the past three years.

During the said period, the selling and administrative expenses increased by 8.9 percent on average. Employee related expenses (including salary, bonus, welfare,

vehicle, and training) and depreciation of vacant factories/warehouses were significant element in the selling and administrative expenses. The high vacancy rate of factories/warehouses due to economic crisis in 2009 resulted in high depreciation recorded in the selling and administrative expenses.

1.2.2 Finance cost

Interest expenses were a significant element of the finance cost, representing approximately 97 percent of the finance cost. The rest were other expenses in relation to the Company's borrowing.

Over the past three years, the Company had interest expenses of Baht 263.9 million, Baht 288.9 million and Baht 253.3 million, respectively, representing 25.4 percent increase, 9.5 percent increase and 12.3 percent decrease each year.

The interest expenses increased in 2008 due to substantial funding needs for development of TPARK Wangnoi. In 2009, a slowdown of the Company's construction resulted in the lower growth in interest expenses. However, even with more borrowing in 2010, the interest expenses decreased from the previous year due to the fact that the Company's source of funds was mostly debentures with coupon rates fixed below the interest rates of traditional long-term loans.

1.3 Profit

1.3.1 Gross profit margin

The Company had a gross profit margin from its operations - rental and sales - over the past three years of 50.4 percent, 46.5 percent and 54.5 percent, respectively.

The decrease in gross profit margin in 2009 mainly resulted from the increase in leased warehouses as well as the sales of warehouses to TLOGIS, which generated

lower margins than those for factories. With the sales of factories to TFUND, the Company had a higher gross profit margin in 2010.

1.3.2 Net profit margin

Since 2007, the Company has changed its accounting policy regarding investment in its subsidiaries and associated companies in the separate financial statements, by using the cost method instead of the equity method. This adjustment caused the net income reported in the separate financial statements to differ from that of the consolidated ones.

Over the past three years, the Company reported consolidated net income under the equity method of Baht 724.9 million, Baht 653.3 million and Baht 821.1 million, respectively, and earnings per share of Baht 1.11, Baht 0.99 and Baht 1.22 respectively. The net profit margins during the said period were 21.8 percent, 26.6 percent and 28.0 percent, respectively.

The Company's 2009 net income decreased by Baht 71.6 million from that of 2008 as a result of there being no sales of properties to tenant, as well as a reduction in sales of properties to property funds, and lower rental and service income due to the economic crisis during this period.

The Company posted higher net income in 2010 by Baht 167.8 million due to the fact that the Company had higher rental and related service income, sales of properties to property funds, management fee from TFUND and TLOGIS, and share of income from investments in TFUND and TLOGIS. Moreover, the Company had sales of properties to tenants, realized additional gain on sales of properties to TFUND and gain on sales of investment in TFUND, while there was no such income in 2009.

2. FINANCIAL STATUS

2.1 Assets

At the end of 2010, the Company had total assets of Baht 12,484.6 million. 69.4 percent of the assets were land and factories/warehouses buildings, comprising land and factories/warehouses under development and available for rent, which accounted for 38.0 percent of total assets, and land and factories/warehouses under leased agreement, which accounted for 31.4 percent of total assets.

The Company's total assets increased by Baht 1,375.6 million, representing a 12.4 percent increased from the previous year. This resulted from the increase in development of factories/warehouses, as well as land acquisitions in several strategic locations so as to serve higher 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 9,119.4 million, Baht 8,683.0 million and Baht 9,170.7 million, respectively. The Baht 9,170.7 million included Baht 507 million of land improvement recorded as Property, Plant and Equipment. The 5.6 percent increase in such assets - net of those sold to TFUND - in 2010 was due mainly to more development of factories/warehouses. On the other hand, the reduction of such assets - net of those sold to TLOGIS - in 2009 resulted from the slowdown of construction during the economic crisis since 2008.

The Company's land and buildings had an appraised value, under replacement cost and income approach methods, much higher than their book value. The increase in market price of land over its historical cost and the increase in construction cost resulted in higher appraised value under replacement cost approach. Besides, since

most of the Company's factories have already generated rental income, the appraised value under income approach showed a higher value over the book value.

The cost of factory and warehouse buildings is depreciated over 20 years on a straight line basis.

2.1.2 Current investments

At the end of 2010, the Company had investments in Bank of Thailand's bonds and Treasury Bills with an outstanding amount of Baht 847.4 million. The said investments are good alternatives for the Company to manage its cash on a short-term basis. With a lower risk, the said investment, however, provided the Company with higher returns than those from saving deposits.

2.1.3 Accounts receivable

At the end of 2010, the Company had accounts receivable of Baht 13.7 million, which were receivable from rental only. 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 Operating leases receivables

At the end of 2010, the Company had operating leases receivables of Baht 29.5 million. The said receivables were recorded from the differences between actual rental fee and average rental fees per month throughout lease agreements.

2.1.5 Pledged fixed deposit

At the end of 2010, the Company had a fixed deposit of Baht 10.9 million. The deposit has been pledged with a bank as collateral for facilities, comprising a letter of credit, a trust receipt (together with pre-settlement risk lines), as well as letters of guarantees.

2.1.6 Investment

At the end of 2010, TICON had investments in subsidiaries, associated and related companies as follows:

a. Investment in Eco-Industrial Services Co., Ltd. (a subsidiary) of 99.99 percent of its paid-up capital, with the investment amount under cost method of Baht 50.0 million, representing 0.4 percent of the Company's total assets.

b. Investment in TICON Logistics Park Co., Ltd. (a subsidiary) of 99.99 percent of its paid-up capital, with the investment amount under cost method of Baht 2,515.0 million, representing 19.5 percent of the Company's total assets.

c. Investment in Shanghai TICON Investment Management Co., Ltd. (a subsidiary) of 100.00 percent of its paid-up capital, with the investment amount under cost method of Baht 12.8 million, representing 0.1 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, with the investment amount under equity method of Baht 1,612.4 million, representing 12.9 percent of the Company's consolidated total assets. The investment amount under cost method was Baht 2,670.2 million, representing 20.7 percent of the Company's total assets.

e. Investment in TPARK Logistics Property Fund (an associated company) of 19.66 percent of the fund's capital, with the investment amount under equity method of Baht 208.3 million, representing 1.7 percent of the Company's consolidated total assets. The investment amount under cost method was Baht 301.9 million, accounted for 2.3 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.

2.1.7 Deferred tax assets

At the end of 2010, the Company had deferred tax assets of Baht 258.5 million, most of which related to corporate income tax entitlement in respect of unrealized gain from sales of properties to TFUND.

Corporate income tax relating to the gain on the sales recorded in income statements was calculated by excluding a certain amount of the tax at the same percentage as TICON's stake in TFUND. However, the full amount of the tax was already paid in cash. Therefore, the different between the tax paid out and the tax recorded in the income statements was shown as deferred tax assets. The deferred tax assets will be reduced with the realization of additional gain on sales of properties to the associated company in the future.

2.2 Liabilities

At the end of 2010, the Company had total liabilities of Baht 6,887.6 million, the majority of which were loans (including debentures) from financial institutions, representing 89.6 percent of total liabilities. The total liabilities increased by 12.6 percent from those as at the end of 2009 due to the increase in the following elements.

2.2.1 Loan

At the end of 2010, the Company had total loans of Baht 6,173.2 million, including the current portion of long-term loans and debentures of Baht 157.1 million and Baht 1,000 million, respectively.

The Company's total loans comprised short-term loans of 0.03 percent, long-term loans of 16.55 percent and debentures of 83.42 percent.

The increase in total loans by Baht 554.3 million, or 9.9 percent, from those of the previous year, resulted from the Company's development expansion which led to more borrowing.

Cash flow from operations and long-term loans 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 line 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 5,150 million. At the end of 2010, the outstanding balance of the debentures was Baht 5,150 million. Debentures' tenors ranged from 3 to 5 years. The total proceeds were used for the Company's business expansion and repayment of some short-term and long-term loans.

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

2.2.2 Accounts payable

At the end of 2010, the Company had accounts payable amounting to Baht 112.9 million. 99.7 percent of the total accounts payable related to the Company's construction.

The accounts payable decreased by Baht 35.7 million, or 24.0 percent, from the previous year, as non was payable for land acquisition in 2010.

2.2.3 Corporate income tax payable

At the end of 2010, the Company had corporate income tax payable amounting to Baht 229.1 million. The major portion was tax on sales of factories to TFUND in late 2010. The tax payable in 2009 was only Baht 0.3 million, since the company has tax exemption on its sales of warehouses to TLOGIS.

2.3 Shareholders' Equity

The Company had shareholders' equity at the end of 2010 of Baht 5,597.0 million, a 12.1 percent increase from the previous year, which was due mainly to the increase in retained earnings, as well as more warrants being exercised into ordinary shares.

Over the past three years, the Company had a return on equity of 14.9 percent, 13.3 percent and 15.5 percent, respectively. The increases/decreases in such ratio depend on the Company's net profit.

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 from operating cash flow and loans from financial institutions. However, with higher business growth during the past 4-5 years, the Company participated in

establishing TFUND in 2005 and TLOGIS in 2009, in order to increase its additional fund-raising abilities, which helps reduce reliance on loan borrowings and capital increases.

In addition, during the past 3-4 years the Company issued debentures with tenors of 3-5 years. Issuing debentures is another major source of funds.

However, with the continuous fund raising from borrowings, the Company has foreseen a higher debt to equity ratio in the next few years. Therefore, in 2009, the Company issued 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 2010, the Company had a debt to equity ratio of 1.2 to 1.

2.5 Liquidity

In 2010, the Company had net cash received from operations amounting to Baht 2,209.2 million, net cash used for investment of Baht 2,445.6 million, and net cash received from financing of Baht 337.2 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 2010, the Company had an interest coverage ratio, calculated from:

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

and a debt service coverage ratio, calculated from:

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

of 5.97 times and 0.99 times, respectively. However, the debt service coverage ratio in 2010, equaling 0.99 times, does not reflect the Company's ability to repay debt, since more than 60 percent of total long-term loan repayment during the said period was prepaid ahead of normal schedules.

3. FUTURE PROSPECTS

The continuing global economic recovery from 2010 will strengthen demands for the Company's leased factory/warehouse. The Company's net leasing figures dramatically increased during the first two months of 2011. It is believed that the demands for factories and logistics warehouses will grow further throughout the year.

The Company will develop more factories/warehouses to meet larger demands from foreign direct investment. In addition, the Company will continue to explore its investment in China. A feasibility study is being carried out at present. The Company is able to access various sources of fund, including cash from operation, cash from sales of properties to property funds, and cash from domestic borrowing, as well as capital from warrant exercises, to support such expansion.

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 2010 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 2010 and 2009

Report of Independent Auditor

To the Shareholders of TICON Industrial Connection Public Company Limited

I have audited the accompanying consolidated balance sheets of TICON Industrial Connection Public Company Limited and its subsidiaries as at 31 December 2010 and 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and 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 2010 and 2009, and the results of their operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Rungnapa Lertsuwankul

Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited

Bangkok: 23 February 2011

TICON Industrial Connection Public Company Limited and its subsidiaries

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	7, 8	183,233,971	82,834,469	153,374,940	60,560,303
Current investments	9	847,370,315	29,996,615	847,370,315	29,996,615
Trade accounts receivable					
Unrelated parties		18,855,729	17,620,039	15,815,498	15,071,774
Less: Allowance for doubtful accounts		(5,160,448)	(241,825)	(5,160,448)	(241,825)
Trade accounts receivable, net	10	13,695,281	17,378,214	10,655,050	14,829,949
Current portion of operating leases receivables		12,787,357	-	8,314,481	-
Unbilled of work in progress under construction contracts		191,013	992,491	189,422	992,491
Other receivables - related parties	7	14,395,683	8,675,485	109,790,657	18,325,481
Short-term loans to and accrued interest from subsidiary	7	-	-	1,398,765,818	192,159,490
Other current assets		51,574,906	24,232,995	27,973,177	16,486,680
Total current assets		1,123,248,526	164,110,269	2,556,433,860	333,351,009
Non-current assets					
Pledged deposits at financial institutions	7, 11	10,858,640	11,658,640	128,000	128,000
Operating leases receivables - net of current portion		16,679,242	-	9,352,412	-
Investments in subsidiaries	12	-	-	2,577,775,840	2,564,999,840
Investment in associates, net	13	1,820,709,679	1,923,354,843	2,972,099,177	2,878,171,125
Investment in related company, net	14	256,500	256,500	256,500	256,500
Property under development and available for rent/sale, net	15	4,742,156,103	4,797,699,647	1,979,741,030	2,546,300,922
Property for rent, net	16	3,921,053,800	3,885,319,046	2,757,811,326	2,993,892,405
Property, plant and equipment, net	17	564,851,129	92,060,300	11,931,224	17,692,150
Computer software, net	18	12,914,544	14,421,668	10,941,782	14,302,064
Deferred tax assets	26	258,457,986	201,883,168	3,592,986	2,272,930
Other non-current assets	7	13,443,592	18,303,574	12,979,949	13,078,427
Total non-current assets		11,361,381,215	10,944,957,386	10,336,610,226	11,031,094,363
Total assets		12,484,629,741	11,109,067,655	12,893,044,086	11,364,445,372

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

TICON Industrial Connection Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions and liabilities under trust receipts	19	1,715,647	160,000,000	1,715,647	160,000,000
Trade accounts payable		112,924,553	148,654,069	43,671,728	120,477,432
Other payable - related party	7	315,000	-	8,555,861	-
Current portion of long-term loans from related party	7	157,144,000	151,272,000	157,144,000	151,272,000
Current portion of long-term loans	20	-	163,651,637	-	110,000,000
Current portion of debentures	21	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Current portion of liability under financial lease agreement		3,153,854	1,198,750	3,153,854	1,198,750
Corporate income tax payable		229,063,331	320,488	227,376,132	320,488
Other current liabilities	7	97,200,393	81,615,272	89,699,643	77,829,475
Total current liabilities		1,601,516,778	1,206,712,216	1,531,316,865	1,121,098,145
Non-current liabilities					
Long-term loans from related party, net	7	864,334,000	1,456,150,427	864,334,000	1,456,150,427
Long-term loans, net	20	-	337,797,265	-	337,797,265
Debentures, net	21	4,150,000,000	2,850,000,000	4,150,000,000	2,850,000,000
Liability under financial lease agreement, net		-	3,153,854	-	3,153,854
Deferred tax liabilities	26	7,130,308	-	5,283,913	-
Customer deposits		264,657,266	261,679,042	206,875,182	231,658,836
Total non-current liabilities		5,286,121,574	4,908,780,588	5,226,493,095	4,878,760,382
Total liabilities		6,887,638,352	6,115,492,804	6,757,809,960	5,999,858,527

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

TICON Industrial Connection Public Company Limited and its subsidiaries

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Shareholders' equity					
Share capital					
Registered					
1,037,252,920 ordinary shares of Baht 1 each	22	1,037,252,920	1,037,252,920	1,037,252,920	1,037,252,920
Issued and paid up					
686,345,728 ordinary shares of Baht 1 each					
(2009: 659,854,052 ordinary shares					
of Baht 1 each)	22	686,345,728	659,854,052	686,345,728	659,854,052
Cash receipts from share subscription	23	105,587,553	2,935,785	105,587,553	2,935,785
Premium on ordinary shares	22	2,857,905,222	2,666,601,182	2,857,905,222	2,666,601,182
Excess of investment over book value					
of a subsidiary		(20,050,000)	(20,050,000)	-	-
Translation adjustment		(406,768)	-	-	-
Retained earnings					
Appropriated - statutory reserve	24	103,725,292	103,725,292	103,725,292	103,725,292
Unappropriated		1,863,884,264	1,580,508,416	2,381,670,331	1,931,470,534
Equity attributable to Company's shareholders		5,596,991,291	4,993,574,727	6,135,234,126	5,364,586,845
Minority interest - equity attributable to					
minority shareholders of subsidiaries		98	124	-	-
Total shareholders' equity		5,596,991,389	4,993,574,851	6,135,234,126	5,364,586,845
Total liabilities and shareholders' equity		12,484,629,741	11,109,067,655	12,893,044,086	11,364,445,372

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

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Directors

TICON Industrial Connection Public Company Limited

TICON Industrial Connection Public Company Limited and its subsidiaries

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Rental and related service income	7	850,872,730	809,231,268	657,354,046	582,598,882
Revenues from construction services	7	20,628,524	20,719,152	21,658,221	17,036,929
Utility income	7	16,523,867	13,244,372	8,630,458	8,222,972
Sales of properties to unrelated parties		157,176,750	-	157,176,750	-
Sales of properties to associates	7	1,737,747,003	1,530,000,000	1,737,747,003	-
Dividend income from subsidiary	7, 12	-	-	17,499,944	12,399,911
Dividend income from associates	7, 13	-	-	205,042,013	166,699,111
Management fee income from associates	7	107,490,798	77,731,226	105,135,556	76,110,712
Other income	7	43,011,629	8,562,801	65,949,035	60,234,477
Total revenues		2,933,451,301	2,459,488,819	2,976,193,026	923,302,994
Expenses					
Cost of rental and related services		194,494,616	198,518,585	134,194,250	122,592,915
Cost of construction services	7	15,904,898	13,448,508	15,700,244	9,782,179
Cost of utilities		16,523,867	13,244,372	8,630,458	8,222,972
Cost of sales of properties to unrelated parties		95,665,141	-	95,665,141	-
Cost of sales of properties to associates		959,254,316	1,052,325,688	959,254,316	-
Selling expenses	7	13,727,077	13,943,721	8,756,174	9,428,455
Administrative expenses	7	148,109,052	135,439,337	114,962,133	115,453,530
Depreciation and amortisation expenses		94,804,917	84,199,079	43,003,137	50,826,099
Management benefit expenses	7	38,039,036	32,878,990	37,829,036	32,708,990
Other expenses		4,922,550	2,823,750	4,918,710	4,041,381
Total expenses		1,581,445,470	1,546,822,030	1,422,913,599	353,056,521
Income before share of income from investments in associates, finance cost and income tax		1,352,005,831	912,666,789	1,553,279,427	570,246,473
Share of income from investments in associates	13	168,587,006	158,672,914	-	-
Realised additional gain on sales of properties to associate	13	38,900,885	-	-	-
Deferred gain on sales of properties to associates	13	(219,029,009)	(88,957,750)	-	-
Income before finance cost and corporate income tax		1,340,464,713	982,381,953	1,553,279,427	570,246,473
Finance cost	7	(261,438,014)	(293,843,053)	(260,642,293)	(264,702,890)
Income before corporate income tax		1,079,026,699	688,538,900	1,292,637,134	305,543,583
Corporate income tax	26	(257,928,090)	(35,262,122)	(304,714,606)	(35,262,122)
Net income for the year		821,098,609	653,276,778	987,922,528	270,281,461
Net income attributable to:					
Equity holders of the parent		821,098,579	653,276,768	987,922,528	270,281,461
Minority interest of the subsidiaries		30	10		
		821,098,609	653,276,778		

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

TICON Industrial Connection Public Company Limited and its subsidiaries

Income statements (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Earnings per share	*28*				
Basic earnings per share					
Net income attributable to equity holders of the parent		1.22	0.99	1.47	0.41
Weighted average number of ordinary share					
(Thousand shares)		674,290	658,524	674,290	658,524
Diluted earnings per share					
Net income attributable to equity holders of the parent		1.15	0.99	1.38	0.41
Weighted average number of ordinary share					
(Thousand shares)		715,454	658,524	715,454	658,524

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

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to the parent's shareholders								Minority interest - equity attributable to minority shareholders of subsidiaries	
	Issued and fully paid-up share capital	Cash receipts from share subscription	Premium on ordinary shares	Excess of investment over book value of a subsidiary	Translation adjustment	Retained earnings		Total equity attributable to the parent's shareholders		Total
						Appropriated	Unappropriated			
Balance as at 31 December 2008	658,068,853	-	2,654,104,789	(20,050,000)	-	89,532,777	1,467,878,205	4,849,534,624	224	4,849,534,848
Net income for the year	-	-	-	-	-	-	653,276,768	653,276,768	10	653,276,778
Total income for the year	-	-	-	-	-	-	653,276,768	653,276,768	10	653,276,778
Dividend paid (Note 30)							(526,454,042)	(526,454,042)	(110)	(526,454,152)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	-	-	-	-	14,192,515	(14,192,515)	-	-	-
Share capital issued (Note 22)	1,785,199	-	12,496,393	-	-	-	-	14,281,592	-	14,281,592
Cash receipts from share subscription	-	2,935,785	-	-	-	-	-	2,935,785	-	2,935,785
Balance as at 31 December 2009	659,854,052	2,935,785	2,666,601,182	(20,050,000)	-	103,725,292	1,580,508,416	4,993,574,727	124	4,993,574,851
Balance as at 31 December 2009	659,854,052	2,935,785	2,666,601,182	(20,050,000)	-	103,725,292	1,580,508,416	4,993,574,727	124	4,993,574,851
Expenses recognised directly in equity:										
Translation adjustment	-	-	-	-	(406,768)	-	-	(406,768)	-	(406,768)
Net expenses recognised directly in equity:	-	-	-	-	(406,768)	-	-	(406,768)	-	(406,768)
Net income for the year	-	-	-	-	-	-	821,098,579	821,098,579	30	821,098,609
Total income and expenses for the year	-	-	-	-	(406,768)	-	821,098,579	820,691,811	30	820,691,841
Dividend paid (Note 30)	-	-	-	-	-	-	(537,722,731)	(537,722,731)	(56)	(537,722,787)
Converted right to purchase ordinary share capital issued (Note 22)	26,491,676	-	191,304,040	-	-	-	-	217,795,716	-	217,795,716
Cash receipts from share subscription (Note 23)	-	102,651,768	-	-	-	-	-	102,651,768	-	102,651,768
Balance as at 31 December 2010	686,345,728	105,587,553	2,857,905,222	(20,050,000)	(406,768)	103,725,292	1,863,884,264	5,596,991,291	98	5,596,991,389

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 2010 and 2009

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid-up share capital	Cash receipts from share subscription	Premium on ordinary shares	Retained earnings		Total
				Appropriated	Unappropriated	
Balance as at 31 December 2008	658,068,853	-	2,654,104,789	89,532,777	2,201,835,630	5,603,542,049
Net income for the year	-	-	-	-	270,281,461	270,281,461
Total income for the year	-	-	-	-	270,281,461	270,281,461
Dividend paid (Note 30)	-	-	-	-	(526,454,042)	(526,454,042)
Unappropriated retained earnings transferred to statutory reserve (Note 24)	-	-	-	14,192,515	(14,192,515)	-
Share capital issued (Note 22)	1,785,199	-	12,496,393	-	-	14,281,592
Cash receipts from share subscription	-	2,935,785	-	-	-	2,935,785
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
Net income for the year	-	-	-	-	987,922,528	987,922,528
Total income and expenses for the year	-	-	-	-	987,922,528	987,922,528
Dividend paid (Note 30)	-	-	-	-	(537,722,731)	(537,722,731)
Converted right to purchase ordinary share capital issued (Note 22)	26,491,676	-	191,304,040	-	-	217,795,716
Cash receipts from share subscription (Note 23)	-	102,651,768	-	-	-	102,651,768
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

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 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income before tax	1,079,026,699	688,538,900	1,292,637,134	305,543,583
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	265,172,583	258,647,884	161,023,250	155,492,773
Allowance for doubtful accounts	4,918,623	-	4,918,623	-
Share of income from investments in associates	(168,587,006)	(158,672,914)	-	-
Dividend income from subsidiary	-	-	(17,499,944)	(12,399,911)
Dividend income from associate	-	-	(205,042,013)	(166,699,111)
Cost of properties sold	994,814,478	1,021,048,389	994,814,478	-
Gain on sale/write-off of equipment and computer software	(312,476)	(429,760)	(324,754)	(460,884)
(Gain) loss from sales of investments in associates	(27,984,490)	867,898	(7,974,576)	2,118,015
Realised additional gain on sales of properties to associated company	(38,900,885)	-	-	-
Deferred gain on sales of properties to associates	219,029,009	88,957,750	-	-
Interest income	(4,514,076)	(1,667,363)	(40,408,363)	(38,518,994)
Interest expense	253,328,179	288,892,892	252,542,462	259,837,213
Income from operating activities before changes in operating assets and liabilities	2,575,990,638	2,186,183,676	2,434,686,297	504,912,684
Operating assets (increase) decrease				
Trade accounts receivable and unbilled of work in progress under construction contracts	(434,213)	(4,449,150)	59,344	(6,870,179)
Other receivables - related parties	(5,720,198)	5,336,969	(91,465,176)	15,054,423
Other current assets	(27,803,983)	23,457,924	(11,948,569)	4,499,345
Operating leases receivables	(29,466,599)	-	(17,666,893)	-
Other non-current assets	4,859,983	(3,338,084)	98,478	1,047,601
Operating liabilities increase (decrease)				
Other payables - related parties	315,000	-	8,555,861	-
Other current liabilities	3,695,612	(10,939,039)	(19,340)	(10,122,455)
Customer deposits	2,978,224	21,265,896	(24,783,654)	30,110,424
Cash flows from operating activities	2,524,414,464	2,217,518,192	2,297,516,348	538,631,843
Interest received	4,514,076	1,667,363	4,402,134	1,498,837
Cash paid for interest expense	(241,131,111)	(288,257,028)	(240,345,394)	(258,997,684)
Cash paid for corporate income tax	(78,629,757)	(272,469,742)	(73,695,104)	(271,169,618)
Net cash flows from operating activities	2,209,167,672	1,658,458,785	1,987,877,984	9,963,378

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 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities				
Decrease (increase) in current investments	(817,373,700)	419,880,342	(817,373,700)	419,880,342
Increase in investment in associates	(531,586,716)	(458,204,906)	(531,586,716)	(458,204,906)
Increase in investment in subsidiary company	-	-	(12,776,000)	-
Proceeds from sale of investments in associated company	445,633,240	44,144,685	445,633,240	44,144,685
Decrease in pledged deposits at financial institutions	800,000	708,000	-	-
Cash received from short-term loans to subsidiary	-	-	266,500,000	994,769,300
Cash paid for short-term loans to subsidiary	-	-	(1,471,800,100)	(745,299,800)
Cash paid for acquisition of property under development and available for rent/sale, and property for rent	(1,739,984,934)	(1,093,709,154)	(418,211,049)	(422,929,993)
Cash paid for acquisition property, plant and equipment	(6,190,257)	(7,919,931)	(3,913,697)	(3,345,746)
Cash paid for acquisition in computer software	(2,385,392)	(177,132)	(2,210,801)	(177,132)
Interest income from subsidiary	-	-	34,700,000	37,838,716
Dividend received from subsidiary	-	-	17,499,944	12,399,911
Dividend received from associate	205,042,013	166,699,111	205,042,013	166,699,111
Proceeds from sales of equipment	482,463	2,455,069	482,463	2,454,931
Proceeds from computer software	-	-	2,097,835	-
Net cash flows from (used in) investing activities	(2,445,563,283)	(926,123,896)	(2,285,916,568)	48,229,419
Cash flows from financing activities				
Decrease in short-term loans and liabilities under trust receipts	(158,284,353)	(901,692,665)	(158,284,353)	(901,692,665)
Proceeds from long-term loans from related party	105,360,000	1,609,700,000	105,360,000	1,609,700,000
Proceeds from long-term loans	-	1,572,667,000	-	960,000,000
Proceeds from issuance of debentures	2,300,000,000	1,850,000,000	2,300,000,000	1,850,000,000
Repayment of long-term loans from related party	(691,304,427)	(820,861,700)	(691,304,427)	(820,861,700)
Repayment of long-term loans	(501,448,903)	(2,091,088,600)	(447,797,265)	(802,621,600)
Redemption of debentures	(500,000,000)	(1,500,000,000)	(500,000,000)	(1,500,000,000)
Cash received from share subscription	320,447,484	17,217,377	320,447,484	17,217,377
Dividend paid	(537,568,274)	(526,431,994)	(537,568,218)	(526,431,884)
Net cash flows from (used in) financing activities	337,201,527	(790,490,582)	390,853,221	(114,690,472)
Increase in translation adjustment	(406,414)	-	-	-
Net increase (decrease) in cash and cash equivalents	100,399,502	(58,155,693)	92,814,637	(56,497,675)
Cash and cash equivalents at beginning of year	82,834,469	140,990,162	60,560,303	117,057,978
Cash and cash equivalents at end of year (Note 8)	183,233,971	82,834,469	153,374,940	60,560,303
Supplemental cash flows information: -				
Cash paid during the year for:				
Interest capitalised to related assets	1,216,562	10,350,006	1,216,562	3,104,842
Non-cash items: -				
Transfer of property under development and available for rent/sale and property for rent to be cost of sales of properties	994,814,478	1,021,048,389	994,814,478	-
Transfer of property under development to property, plant and equipment	504,004,161	20,011,448	-	-
Purchase of fixed assets for which no cash has been paid	116,078,407	153,006,673	46,825,582	124,830,036

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 2010 and 2009

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 of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, 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 the Company ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company	Country of incorporation	Nature of business	Percentage of Shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December	
			2010	2009	2010	2009	2010	2009
			(Percent)	(Percent)	(Percent)	(Percent)	(Percent)	(Percent)
ECO Industrial Services Company Limited	Thailand	Development of real estate, development of factories for rent	99.99	99.99	1	1	1	1
TICON Logistics Park Company Limited	Thailand	Development of real estate, development of warehouse for rent/sale	99.99	99.99	36	29	5	71
Shanghai TICON Investment Management Company Limited	China	Fund management	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 12.8 million, on 16 August 2010.

b) Subsidiaries are fully consolidated as from the date of acquisition, 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 overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the balance sheet date, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Translation adjustment" in shareholders' equity.

e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

f) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

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 current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

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
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
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

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

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, except TAS 19 and TAS 40 (revised 2009) which management expects the impact on the financial statements in the year when they are adopted.

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. Currently, the Company accounts for such employee benefits when they are incurred.

However, the Company's management assessed and found that this accounting standard will not have any significant impact on the retained earnings at the beginning of the year in which the standard is initially applied.

TAS 40 Investment Property

This accounting standard requires an entity to recognise property held the owner to earn rentals or for capital appreciation or both as an Investment Property. The standard permit entity to choose to measure the Investment Property after recognition either:

a) at fair value with changes in fair value recognised in profit or loss; or

b) at cost value (less any accumulated depreciation and impairment losses), and discloses the fair value of its investment property.

On 23 February 2011, the Board of Directors' Meeting No. 1/2011 of the Company resolved the resolution to measure the Investment Property after recognition at cost value. The Company's management assessed and found that this accounting standard will not have any significant impact on the retained earnings at the beginning of the year in which the standard is initially applied.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 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 the income statement on a straight line basis over the lease term.

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.

4.2 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.

4.3 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 the current status of receivables outstanding at the balance sheet date.

4.4 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 as income or expenses in the income statements.

4.5 Property available for rent/sale, property for rent, and 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.6 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.

4.7 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 the income statement.

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

	Useful lives
Computer software	3 and 5 years

4.8 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.

4.9 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. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

4.10 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 balance sheet date, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

At each reporting date, 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 the income statements.

4.12 Employee benefits

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

The Company issued warrants to purchase the ordinary shares to directors and employees. The transaction will be recorded in the financial statements when the warrants are exercised.

4.13 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.

4.14 Income tax / Deferred income tax assets/liabilities

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 income tax assets/liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the balance sheet date. They will be realised in future periods when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

Deferred income tax assets are recognised for deductible temporary differences if it is highly probable that the Company will generate sufficient taxable profits from its future operations to utilise these assets.

Deferred income tax liabilities are recognised for all payable temporary differences.

As each balance sheet 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 equity if the tax relates to items that are recorded directly to equity.

Deferred tax assets and liabilities are calculated based on the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

5. 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 the management judges that 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.

Impairment of investment in subsidiaries and associates

The Company treats investment in subsidiaries and associates as impaired when the management judges that 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.

Property available for rent/sale, property for rent, and property plant and equipment/ depreciation

In determining depreciation of property available for rent/sale, property for rent, and plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's property available for rent/sale, property for rent, and plant and equipment and to review estimate useful lives and salvage 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.

6. CHANGE IN ACCOUNTING ESTIMATES

In the year 2009, the Company and its subsidiaries changed the estimated useful lives of the computer software to 3 years and 5 years, respectively. These change in accounting estimates have the effect of decreasing net earnings of the Company and its subsidiaries for the year ended 31 December 2009 by Baht 3.62 million (Baht 0.005 per share).

7. 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: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2010	2009	2010	2009	
Transactions with subsidiaries					
(eliminated from the consolidated financial statements)					
Management fee income	-	-	3,627	4,872	2% of rental and service income of subsidiaries
Construction fee income	-	-	5,132	11,591	2% of construction expense of subsidiary which occurred during the year
Interest income	-	-	36,006	37,020	MLR of a related bank and the average interest rate of debentures issued during the third quarter of 2010 plus certain rate
Dividend income	-	-	17,500	12,400	As declared
Land rental income	-	-	5,249	5,249	4% of acquired cost
Sales of computer program	-	-	2,245	-	Net book value
Other income	-	-	313	-	Contract amount
Revenues from construction services	-	-	1,359	-	Contract amount
Cost of construction services	-	-	737	-	Contract amount
Management fee	-	-	4,989	-	3% of rental and service income of associated
Transactions with associates					
Sales of land and factory buildings	1,737,747	-	1,737,747	-	Close to appraisal value as mentioned in Note 13
Management fee income from TICON Property Fund	89,843	74,896	89,843	74,896	4% of rental and service of the Fund, 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	15,293	1,215	15,293	1,215	55% of the gross rental and service fees 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	935	-	935	-	Normal commercial price
Dividend income	-	-	205,042	166,699	As declared
Revenues from construction services	1,501	10,348	1,501	10,348	Contract amount
Common area service fees	5	-	5	-	Normal commercial price
Transactions with related companies					
Office rental and related fees	14,301	14,301	12,922	13,109	Normal commercial price
Interest income	452	286	347	135	Market rate
Interest expense	56,836	76,929	56,836	76,929	MLR minus certain rates
Commission fee	31	65	31	65	Market price

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2010	2009	2010	2009	
Transactions between subsidiary and associates					
Sales of land and warehouse buildings	-	1,530,000	-	-	Closed to appraisal value as mentioned in Note 13
Management fee income from TICON Property Fund	2,355	1,621	-	-	2% of rental and service of the Fund, 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
Revenues from construction services	127	5	-	-	Contract amount
Common area service fees	1,616	23	-	-	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	19.66%
Rojana Industrial Park Public Company Limited	Common shareholder / Co-Director	-
Asia Plus Securities Public Company Limited	Co-Director	-
Sathorn City Tower Property Fund	Common shareholder	-
Bangkok Bank Public Company Limited	Close family member of a director of the Company	-

As at 31 December 2010 and 2009, the balance of accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash at bank (presented under cash and cash equivalents)				
Bangkok Bank Public Company Limited	154,530	34,264	134,003	13,275
Other receivables - related parties				
ECO Industrial Services Company Limited	-	-	1,052	97
TICON Logistics Park Company Limited	-	-	95,239	9,816
TICON Property Fund	12,772	7,324	11,907	7,112
TPARK Logistics Property Fund	1,624	1,351	1,593	1,300
Total	14,396	8,675	109,791	18,325
Short-term loans to and accrued interest from subsidiary				
TICON Logistics Park Company Limited				
Principal	-	-	1,397,095	191,795
Accrued interest	-	-	1,671	364
Total	-	-	1,398,766	192,159
Pledged deposits at financial institutions				
Bangkok Bank Public Company Limited	10,859	11,659	128	128
Refundable deposits (presented under other non-current assets)				
Sathorn City Tower Property Fund	3,705	3,705	3,705	3,705
Other payables - related parties				
TICON Logistics Park Company Limited	-	-	8,241	-
TICON Property Fund	315	-	315	-
Total	315	-	8,556	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Interest payable (presented under other current liabilities)				
Bangkok Bank Public Company Limited	126	237	126	237
Unearned land rental income (presented under other current liabilities)				
TICON Logistics Park Company Limited	-	-	3,281	3,281
Unearned equipment rental income (presented under other current liabilities)				
ECO Industrial Services Company Limited	-	-	38	-
TICON Logistics Park Company Limited	-	-	67	-
Total	-	-	105	-
Long-term loans from related party				
Bangkok Bank Public Company Limited				
Long-term loans	1,021,478	1,607,422	1,021,478	1,607,422
Less: Current portion of long-term loans	(157,144)	(151,272)	(157,144)	(151,272)
Long-term loans, net	864,334	1,456,150	864,334	1,456,150

Movements of short-term loans to and accrued interest from subsidiary and long-term loans from related party during the year were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	1 January 2010	Increase	Decrease	31 December 2010
Long-term loans from related party				
Bangkok Bank Public Company Limited				
Long-term loans	1,607,422	105,360	(691,304)	1,021,478
Less: Current portion of long-term loans	(151,272)	(157,144)	151,272	(157,144)
Long-term loans, net	1,456,150	(51,784)	(540,032)	864,334

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2010	Increase	Decrease	31 December 2010
Short-term loans to and accrued interest from subsidiary				
TICON Logistics Park Company Limited				
Principal	191,795	1,471,800	(266,500)	1,397,095
Accrued interest	364	36,007	(34,700)	1,671
Total	192,159	1,507,807	(301,200)	1,398,766
Long-term loans from related party				
Bangkok Bank Public Company Limited				
Long-term loans	1,607,422	105,360	(691,304)	1,021,478
Less: Current portion of long-term loans	(151,272)	(157,144)	151,272	(157,144)
Long-term loans, net	1,456,150	(51,784)	(540,032)	864,334

As at 31 December 2010, Short-term loan of Baht 1,397.1 million (2009: Baht 191.8 million) is unsecured loan to TICON Logistics Park Company Limited and carries interest at a rate of 4.42 percent per annum (2009: 5.88 percent per annum).

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

(Unit: Million Baht)

		Consolidated and Separate financial statements		Principle conditions			
Loans	Contract date	2010	2009	Period	Repayment Schedule	Installment period	Interest rate
1.	17 March 2006	-	172.02	7 years	Every 6 months	May 2011 - November 2014	MLR minus certain rate
2.	5 March 2008	-	334.70	7 years	Every 6 months	December 2010 - June 2015	MLR minus certain rate

(Unit: Million Baht)

		Consolidated and Separate financial statements		Principle conditions			
					Repayment		
Loans	Contract date	2010	2009	Period	Schedule	Installment period	Interest rate
3.	21 January 2009	0.05	0.70	8 years	Every 6 months	November 2012 - May 2017	MLR minus certain rate
4.	11 May 2009	1,021.43	1,100.00	8 years	Every 6 months	November 2010 - May 2017	First 3 years fixed rate after first 3 years MLR minus certain rate
5.*	6 January 2010	-	-	9 years	Every 6 months	-	MLR minus certain rate
Total		1,021.48	1,607.42				
Less: Current portion		(157.14)	(151.27)				
Long term loans, net		864.34	1,456.15				

* No draw down has been made for this facility.

As at 31 December 2010, part of the property under development and available for rent/sale and property for rent of the Company with a net book value of Baht 1,775.9 million (2009: Baht 2,287.7 million) and certain of the Company's investment units in TICON Property Fund with a value under the equity method amounting to Baht 342.4 million (2009: Baht 1,128.4 million) has been pledged as collateral for long-term loans.

As at 31 December 2010 and 2009, there were available long-term loan facilities from related party which had not yet been drawn down by the Company and its subsidiary of approximately Baht 1,333.3 million (2009: Baht 552.6 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

In 2010 the Company and its subsidiaries had salaries, bonus, meeting allowances and gratuities of their directors and management recognised as expenses totaling Baht 38.0 million (2009: Baht 32.9 million).

8. CASH AND CASH EQUIVALENTS

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash	340,000	275,000	195,000	145,000
Bank deposits	182,893,971	82,559,469	153,179,940	60,415,303
Total	183,233,971	82,834,469	153,374,940	60,560,303

As at 31 December 2010, bank deposits in saving accounts and fixed deposits carried interests between 0.5 and 1.0 percent per annum (2009: between 0.25 and 1.75 percent per annum).

9. CURRENT INVESTMENTS

As at 31 December 2010, the Company has invested in current investments which include government bonds and treasury bills of Baht 847.4 million which are summarised below.

Date	Amount (Million Baht)	Coupon rate (% p.a.)	Maturity date
20 October 2010	120.0	1.65%	12 January 2011
15 November 2010	60.0	1.62%	6 January 2011
23 November 2010	49.8	1.70%	31 March 2011
15 December 2010	418.8	1.92%	24 February 2011
30 December 2010	198.8	1.94%	21 April 2011
Total	847.4		

As at 31 December 2009, the Company has invested in government bonds of Baht 30.0 million which are summarised below.

Date	Amount (Million Baht)	Coupon rate (% p.a.)	Maturity date
23 December 2009	30.0	1.03%	5 January 2010

10. TRADE ACCOUNTS RECEIVABLE

The balances of trade accounts receivable as at 31 December 2010 and 2009, aged on the basis of due dates, are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Age of receivables				
Not over 3 months	10,606,993	14,472,383	7,566,762	12,117,817
3 - 12 months	4,390,148	2,905,831	4,390,148	2,712,132
Over 12 months	3,858,588	241,825	3,858,588	241,825
Total	18,855,729	17,620,039	15,815,498	15,071,774
Less: Allowance for doubtful debts	(5,160,448)	(241,825)	(5,160,448)	(241,825)
Trade accounts receivable, net	13,695,281	17,378,214	10,655,050	14,829,949

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Type of accounts receivable	2010	2009	2010	2009
Accounts receivable from rental and services	13,453,354	14,033,539	10,413,123	11,485,274
Accounts receivable from construction services	241,927	3,344,675	241,927	3,344,675
	13,695,281	17,378,214	10,655,050	14,829,949

11. PLEDGED DEPOSITS AT FINANCIAL INSTITUTION

As at 31 December 2010, the Company and its subsidiaries have deposits at financial institutions of Baht 10.9 million (2009: Baht 11.7 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.

12. INVESTMENTS IN SUBSIDIARIES

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

(Unit: Baht)

Company	Nature of business	Separate financial statements							
		Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
		2010	2009	2010	2009	2010	2009	2010	2009
				(%)	(%)				
ECO Industrial Services Company Limited	Development of real estate, development of factories for rent	50,000,000	50,000,000	99.99	99.99	49,999,840	49,999,840	17,499,944	12,399,911
TICON Logistics Park Company Limited	Development of real estate, development of warehouses for rent/sale	2,500,000,000	2,500,000,000	99.99	99.99	2,515,000,000	2,515,000,000	-	-
Shanghai TICON Investment Management Company Limited[a]	Fund management	12,776,000	-	100.00	-	12,776,000	-	-	-
Total investments in subsidiaries						2,577,775,840	2,564,999,840	17,499,944	12,399,911

(a) Audited by other auditor

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 5.0 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 12.8 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 12.5 million, was paid on 7 October 2010.

During the year 2009, there have been changes of investments in subsidiaries as follows: -

a) On 25 March 2009, 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 1.68 per share, totalling Baht 8.4 million, which was paid on 26 March 2009.

b) On 9 December 2009, the Meeting of Board of Director No. 2/2009 of ECO Industrial Services Company Limited passed a resolution to approve the dividend payment of Baht 0.80 per share, totalling Baht 4.0 million, which was paid on 15 December 2009.

13. INVESTMENTS IN ASSOCIATES

13.1 Details of associates:

Company	Nature of business	Country of incorporation	Paid up Capital		Number of Investment Units		Percentage owned by the Company	
			2010	2009	2010	2009	2010	2009
			(Baht)		(Unit)		(Percent)	
TICON Property Fund	Investing in properties	Thailand	9,486,973,440	7,771,050,000	258,988,962	251,199,975	28.02	33.04
TPARK Logistics Property Fund	Investing in properties	Thailand	1,533,000,000	1,533,000,000	30,133,600	29,660,000	19.66	19.35

(Unit: Baht)

Company	Consolidated financial statements				Separate financial statements			
	Carrying amounts based on equity method		Share of income from investments in associated companies during the year		Carrying amounts based on cost method		Dividend received during the year	
	2010	2009	2010	2009	2010	2009	2010	2009
TICON Property Fund	2,568,220,605	2,493,499,200	150,933,490	157,319,444	2,670,203,586	2,581,571,125	184,854,460	166,699,111
Less: Deferred gain on sales of properties	(955,795,970)	(775,667,848)	-	-	-	-	-	-
Investments in TICON Property Fund - net	1,612,424,635	1,717,831,352	150,933,490	157,319,444	2,670,203,586	2,581,571,125	184,854,460	166,699,111
TPARK Logistics Property Fund	300,715,023	297,953,470	17,653,516	1,353,470	301,895,591	296,600,000	20,187,553	-
Less: Deferred gain on sales of properties	(92,429,979)	(92,429,979)	-	-	-	-	-	-
Investments in TPARK Logistics Property Fund - net	208,285,044	205,523,491	17,653,516	1,323,470	301,895,591	296,600,000	20,187,553	-
Investments in associateds, net	1,820,709,679	1,923,354,843	168,587,006	158,672,914	2,972,099,177	2,878,171,125	205,042,013	166,699,111

As at 31 December 2010, the Company's holding in TPARK Logistics Property Fund ("the Fund") is 19.66 percent of units (2009: 19.35 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.

13.2 Movements of investments in associates during the years 2010 and 2009 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(Million unit)		(Million Baht)	
Investment in associates				
Balance at beginning of year	2,791.5	2,386.3	2,878.2	2,466.2
Purchases of investment	531.6	458.2	531.6	458.2
Sales of investment	(417.7)	(45.0)	(437.7)	(46.2)
Share of income	168.5	158.7	-	-
Dividend received	(205.0)	(166.7)	-	-
Balance at end of year	2,868.9	2,791.5	2,972.1	2,878.2
Deferred gains on sales of properties				
Balance at beginning of year	868.1	774.1		
Increase during the year	219.0	94.0		
Decrease during the year	(38.9)	-		
Balance at end of year	1,048.2	868.1		
Investments in associates, net	1,820.7	1,923.4		

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 unrealised 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 2010 and 2009 are summarised below.

Date	Transactions during the year	Number of land and buildings/ number of investment units	Sale price	Increase (decrease) in deferred gains on sales of properties in proportion to investment in the Funds	
			(Million Baht)	(Million Baht)	
Sales of properties to TICON Property Fund					
25 March 2010	The Company sold land and factory	1 factory	30.5	5.9	*
14 October 2010	The Company sold land and factory	35 factories	1,707.2	213.1	**
				219.0	
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	27.0	(3.0)	
Sales of investment in associate to unrelated parties					
23 April - 2 September 2010	Sales of investment in TICON Property Fund	42.6 Million units	448.6	(35.9)	
				(38.9)	
Sales of properties to TPARK Logistics Property Fund					
3 December 2009	The subsidiary sold land and warehouses	15 warehouses	1,530.0	92.4	***
Additional Adjustment Unrealized from selling property to TICON Property Fund					
31 December 2009	The subsidiary sold land and warehouses			(3.5)	
				88.9	

* The fair values of the land and factory building as appraised using the income approach method by two independent valuers totaled Baht 29.2 million and Baht 31.0 million.

** The fair values of the land and factory building as appraised using the income approach method by two independent valuers totaled Baht 1,703.7 million and Baht 1,713.0 million.

*** The fair values of the land and factory building as appraised using the income approach method by two independent valuers totaled Baht 1,516.0 million and Baht 1,556.0 million.

13.3 Summarised financial information of associated companies

(Unit: Million Baht)

Company	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year/ period ended 31 December		Net income for the year/ period ended 31 December	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
TICON Property Fund	9,487.0	7,771.0	10,356.1	8,475.7	303.9	229.9	785.1	735.3	698.6	516.0
TPARK Logistics Property Fund [a]	1,533.0	1,533.0	1,628.5	1,562.3	26.2	19.4	166.3	11.9	163.7	9.9

[a] Audited by other auditor

a) On 14 October 2010, the TICON Property Fund issued an additional 164.2 million investment units at an offer price of Baht 10.45 each, bringing the value of the Fund's registered investment units to Baht 9,487.0 million in total. The Company acquired 50.4 million of the additional investment units at a total cost of Baht 526.3 million.

b) On 6 November 2009, a meeting of the Company's Board of Directors approved the Company's acquisition of 20.00 percent of the units of TPARK Logistics Property Fund ("the Fund"). The Company purchased 30.7 million fund units with a par value of Baht 10 each, or a total of Baht 306.6 million, on 25 November 2009.

The Fund was registered as a property fund with the Office of the Securities and Exchange Commission on 1 December 2009, with total fund capital of Baht 1,533 million and is managed by BBL Asset Management Company Limited.

During December 2009, the Company sold 1 million fund units with a selling price of Baht 10.20 each, or a total of Baht 10.20 million. As a result, the Company's holding in TPARK Logistics Property Fund has decreased from 20.00 percent to 19.35 percent of units.

13.4 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	
	2010	2009	2010	2009
	(Million Baht)	(Million Baht)	(Baht)	(Baht)
TICON Property Fund	3,030	2,587	11.7	10.3
TPARK Logistics Property Fund	344	306	11.4	10.3
Total	3,374	2,893		

13.5 As at 31 December 2010, the Company's investment units in TICON Property Fund of 68.0 million units (2009: 248.6 Million units) with a value under the equity method amounting to Baht 423.4 million (2009: Baht 1,700.1 million) are pledged with a bank as collateral for short-term loans and long-term loans (2009: for short-term loans, long-term loans and long-term promissory notes, issued by a subsidiary, from a financial institution). In addition, the Company's investment units in the TPARK Logistics Property Fund of 15.0 million units with a value under the equity method amounting to Baht 103.7 million are pledged with a bank as collateral for guarantee of lease and service incomes, as discussed in Note 32.5.

14. INVESTMENT IN RELATED COMPANY

(Unit: Baht)

Company	Nature of business	Relationship	Consolidated and separate financial statements			
			Paid up capital	Percentage owned by the Company	Investment	
					2010	2009
				(Percent)		
The Bangkok Club Co., Ltd.	Sale of food and beverage	Shareholding	450,000,000	0.11	1,000,000	1,000,000
Less: Allowance for impairment					(743,500)	(743,500)
Investment in related company, net					256,500	256,500

15. PROPERTY UNDER DEVELOPMENT AND AVAILABLE FOR RENT/SALE

(Unit: Baht)

	Consolidated financial statements						
	Property under development			Property available for rent/sale			
	Land and land improvement	Construction in progress	Total	Land and land improvement	Factory and warehouse building	Total	Grand total
Cost							
31 December 2009	2,358,075,889	594,717,249	2,952,793,138	649,228,576	1,345,510,662	1,994,739,238	4,947,532,376
Purchase	805,483,198	897,460,563	1,702,943,761	-	-	-	1,702,943,761
Disposal	(48,399,589)	-	(48,399,589)	(8,880,043)	(14,575,619)	(23,455,662)	(71,855,251)
Transfer in/out	(703,246,739)	(893,639,258)	(1,596,885,997)	(87,083,275)	(23,203,873)	(110,287,148)	(1,707,173,145)
Capitalised interest	-	1,216,562	1,216,562	-	-	-	1,216,562
31 December 2010	2,411,912,759	599,755,116	3,011,667,875	553,265,258	1,307,731,170	1,860,996,428	4,872,664,303
Accumulated depreciation							
31 December 2009	3,455,986	-	3,455,986	-	146,376,743	146,376,743	149,832,729
Depreciation for the year	-	-	-	-	60,524,809	60,524,809	60,524,809
Depreciation on disposal	-	-	-	-	(2,211,647)	(2,211,647)	(2,211,647)
Transfer in/out	(3,455,986)	-	(3,455,986)	-	(74,181,705)	(74,181,705)	(77,637,691)
31 December 2010	-	-	-	-	130,508,200	130,508,200	130,508,200
Net book value							
31 December 2009	2,354,619,903	594,717,249	2,949,337,152	649,228,576	1,199,133,919	1,848,362,495	4,797,699,647
31 December 2010	2,411,912,759	599,755,116	3,011,667,875	553,265,258	1,177,222,970	1,730,488,228	4,742,156,103
Depreciation for the year (included in administrative expenses)							
2009							69,395,335
2010							60,524,809

(Unit: Baht)

	Separate financial statements						
	Property under development			Property available for rent/sale			
	Land and land improvement	Construction in progress	Total	Land and land improvement	Factory building	Total	Grand total
Cost							
31 December 2009	1,146,240,645	216,732,900	1,362,973,545	456,944,486	823,204,838	1,280,149,324	2,643,122,869
Purchase	103,471,824	236,716,959	340,188,783	-	-	-	340,188,783
Disposal	(48,399,589)	-	(48,399,589)	(8,880,043)	(14,575,619)	(23,455,662)	(71,855,251)
Transfer in/out	(141,882,806)	(273,054,952)	(414,937,758)	(183,817,048)	(254,183,492)	(438,000,540)	(852,938,298)
Capitalised interest	-	1,216,562	1,216,562	-	-	-	1,216,562
31 December 2010	1,059,430,074	181,611,469	1,241,041,543	264,247,395	554,445,727	818,693,122	2,059,734,665
Accumulated depreciation							
31 December 2009	-	-	-	-	96,821,947	96,821,947	96,821,947
Depreciation for the year	-	-	-	-	33,304,774	33,304,774	33,304,774
Depreciation on disposal	-	-	-	-	(2,211,647)	(2,211,647)	(2,211,647)
Transfer in/out	-	-	-	-	(47,921,439)	(47,921,439)	(47,921,439)
31 December 2010	-	-	-	-	79,993,635	79,993,635	79,993,635
Net book value							
31 December 2009	1,146,240,645	216,732,900	1,362,973,545	456,944,486	726,382,891	1,183,327,377	2,546,300,922
31 December 2010	1,059,430,074	181,611,469	1,241,041,543	264,247,395	474,452,092	738,699,487	1,979,741,030
Depreciation for the year (included in administrative expenses)							
2009							40,856,429
2010							33,304,774

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

(Unit :Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Property under development	3,011,668	2,949,337	1,241,042	1,362,973
Capitalized Interest expenses from the part of loan from financial institution and bond	1,217	10,350	1,217	3,105
Capitalisation rate (%)	4.39	4.67	4.39	4.09

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

(Unit :Thousand Baht)

Type of assets	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Asset under collateral				
Property under development	1,205,386	2,042,187	443,304	767,644
Property available for rent/sale, net	1,350,645	1,544,297	578,916	1,062,604
	2,556,031	3,586,484	1,022,220	1,830,248
Asset under non-collateral				
Property under development	1,806,282	907,150	797,738	595,329
Property available for rent/sale, net	379,843	304,066	159,783	120,724
	2,186,125	1,211,216	957,521	716,053
Total	4,742,156	4,797,700	1,979,741	2,546,301

Property 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.

16. PROPERTY FOR RENT

(Unit: Baht)

	Consolidated financial statements		
	Land and land improvement	Factory and warehouse building	Total
Cost			
31 December 2009	1,413,037,471	3,009,793,119	4,422,830,590
Purchase	-	95,095	95,095
Disposal	(378,421,551)	(684,283,581)	(1,062,705,132)
Transfer in/out	284,393,693	920,966,212	1,205,359,905
31 December 2010	1,319,009,613	3,246,570,845	4,565,580,458
Accumulated depreciation			
31 December 2009	-	537,511,544	537,511,544
Depreciation for the year	-	170,367,667	170,367,667
Depreciation on disposal	-	(137,534,258)	(137,534,258)
Transfer in/out	-	74,181,705	74,181,705
31 December 2010	-	644,526,658	644,526,658
Net book value			
31 December 2009	1,413,037,471	2,472,281,575	3,885,319,046
31 December 2010	1,319,009,613	2,602,044,187	3,921,053,800
Depreciation for the year (included in cost of rental and related services)			
2009			174,448,804
2010			170,367,667

(Unit: Baht)

	Separate financial statements		
	Land and land improvement	Factory building	Total
Cost			
31 December 2009	1,226,850,607	2,231,164,516	3,458,015,123
Disposal	(378,421,551)	(684,283,581)	(1,062,705,132)
Transfer in/out	325,699,854	529,331,493	855,031,347
31 December 2010	1,174,128,910	2,076,212,428	3,250,341,338
Accumulated depreciation			
31 December 2009	-	464,122,718	464,122,718
Depreciation for the year	-	118,020,113	118,020,113
Depreciation on disposal	-	(137,534,258)	(137,534,258)
Transfer in/out	-	47,921,439	47,921,439
31 December 2010	-	492,530,012	492,530,012
Net book value			
31 December 2009	1,226,850,607	1,767,041,798	2,993,892,405
31 December 2010	1,174,128,910	1,583,682,416	2,757,811,326
Depreciation for the year (included in cost of rental and related services)			
2009			104,666,675
2010			118,020,113

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 2 months to 10 years. As at 31 December 2010, 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	310.9	241.6

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

(Unit :Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Property for rent				
- Under collateral, net	2,679,889	2,796,855	2,243,815	2,295,730
- Under non-collateral, net	1,241,165	1,088,464	513,996	698,162
Total	3,921,054	3,885,319	2,757,811	2,993,892

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 2010, the book values of the leased assets which the lessees have the option to buy are as follows (leased assets which the lessees have an option to buy comprises land and factories or factories which the Company leases to its tenants under lease agreements with an option to buy, with the selling prices of the land being determined based on fair market value at the transaction date and the selling prices of the factories being determined based on cost of construction plus a margin, minus depreciation from the agreement date to the date of the transaction; inflation may also be taken into account):

(Unit: Baht)

Option starting in	
2010	1,160,877,502
2011	94,628,329
2012	86,831,138
2013	170,024,713
Total	1,512,361,682

17. PROPERTY, PLANT AND EQUIPMENT

	Consolidated financial statements					
	Land and land improvement	Factory building	Equipment and tools	Furniture, fixtures and office equipment	Vehicles	Total
Cost						
31 December 2009	17,401,219	37,725,658	50,162,208	32,282,285	18,457,381	156,028,751
Purchase	-	-	351,643	2,852,987	1,786,877	4,991,507
Disposal	-	-	(145,735)	(977,056)	(701,852)	(1,824,643)
Transfer in/out	507,482,563	(22,416)	-	-	-	507,460,147
31 December 2010	524,883,782	37,703,242	50,368,116	34,158,216	19,542,406	666,655,762
Accumulated depreciation						
31 December 2009	-	2,975,239	30,515,929	19,343,763	11,133,520	63,968,451
Depreciation for the year	17,307,981	1,888,888	2,803,872	5,781,698	2,605,152	30,387,591
Depreciation on disposal	-	-	(145,734)	(958,598)	(550,324)	(1,654,656)
Transfer in/out	3,455,986	-	5,646,907	-	-	9,102,893
Translation adjustment	-	-	-	203	151	354
31 December 2010	20,763,967	4,864,127	38,820,974	24,167,066	13,188,499	101,804,633
Net book value						
31 December 2009	17,401,219	34,750,419	19,646,279	12,938,522	7,323,861	92,060,300
31 December 2010	504,119,815	32,839,115	11,547,142	9,991,150	6,353,907	564,851,129
Depreciation for the year						
2009 (Baht 0.04 million included in cost of rental and related services, and the balance in administrative expenses)						11,180,645
2010 (Baht 0.04 million included in cost of rental and related services, and the balance in administrative expense)						30,387,591

(Unit: Baht)

	Separate financial statements			
	Equipment and tools	Furniture, fixtures and office equipment	Vehicles	Total
Cost				
31 December 2009	20,452,172	25,487,996	17,242,428	63,182,596
Purchase	318,613	1,724,849	671,485	2,714,947
Disposal/write-off	(145,735)	(939,205)	(701,852)	(1,786,792)
31 December 2010	20,625,050	26,273,640	17,212,061	64,110,751
Accumulated depreciation				
31 December 2009	17,128,568	17,816,304	10,545,574	45,490,446
Depreciation for the year	-	3,898,123	2,326,992	6,225,115
Depreciation on disposal/ write-off	(145,734)	(933,025)	(550,324)	(1,629,083)
Transfer in/out	2,093,049	-	-	2,093,049
31 December 2010	19,075,883	20,781,402	12,322,242	52,179,527
Net book value				
31 December 2009	3,323,604	7,671,692	6,696,854	17,692,150
31 December 2010	1,549,167	5,492,238	4,889,819	11,931,224
Depreciation for the year (included in administrative expenses)				
2009				6,383,802
2010				6,225,115

As at 31 December 2010, the Company had vehicles under finance lease agreements with net book values amounting to Baht 2.7 million (2009: Baht 4.1 million).

As at 31 December 2010, 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 28.5 million (2009: Baht 21.3 million) (The Company only: Baht 28.1 million, 2009: Baht 21.3 million).

As at 31 December 2010, the subsidiary's land, land improvement and building with a net book value of Baht 409.3 million (2009: Baht 39.8 million) have been used as collateral for bank overdrafts, short-term loans and long-term loans from financial institutions.

18. COMPUTER SOFTWARE

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
Cost		
Balance as at 31 December 2009	18,037,591	17,880,754
Acquisition during the year	2,385,392	2,210,801
Disposals during the year	-	(2,991,053)
Balance as at 31 December 2010	20,422,983	17,100,502
Accumulated depreciation		
Balance as at 31 December 2009	3,615,923	3,578,690
Amortisation for the year	3,892,516	3,473,248
Write-off during the year	-	(893,218)
Balance as at 31 December 2010	7,508,439	6,158,720
Net book value		
Balance as at 31 December 2009	14,421,668	14,302,064
Balance as at 31 December 2010	12,914,544	10,941,782

19. SHORT-TERM LOANS AND LIABILITIES UNDER TRUST RECEIPTS

(Unit: Thousand Baht)

	Interest rate	Consolidated financial statements		Separate financial statements	
	(percent per annum)	2010	2009	2010	2009
Short-term loans	2.08	-	160,000	-	160,000
Liabilities under trust receipts	-	1,716	-	1,716	-
Total		1,716	160,000	1,716	160,000

As at 31 December 2010, parts of the Company's and its subsidiaries' property under development and available for rent/sale, property for rent with a net book value of Baht 101.3 million (2009: Baht 104.2 million) and certain of the Company's investment units in TICON Property Fund with a value under the equity method amounting to Baht 81.0 million (2009: Baht 88.9 million) have been pledged as collateral for liabilities under trust receipts, bank overdrafts and short-term loans from financial institutions.

20. LONG-TERM LOANS

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Long-term loans from financial institutions (Note 20.1)	-	447,797	-	447,797
Promissory notes (Note 20.2)	-	53,652	-	-
Less: Current portion	-	(163,652)	-	(110,000)
Long-term loans, net of current portion	-	337,797	-	337,797

20.1 Long-term loans from financial institutions

The outstanding long-term loans from financial institutions as at 31 December 2010 and 2009 are as follows:

(Unit: Million Baht)

		Outstanding loans				Principle conditions			
		Consolidated financial statements		Separate financial statements					
Loans	Contract date	2010	2009	2010	2009	Period	Repayment schedule	Installment period	Interest rate
1.	2 December 2003	-	21.73	-	21.73	8 years	Every 6 months	July 2007 - July 2011	MLR minus certain rate*
2.	20 January 2005	-	66.07	-	66.07	8 years	Every 6 months	August 2008 - February 2013	MLR minus certain rate*
3.	15 November 2005	-	-	-	-	10 years	Every 3 months	November 2008 - February 2016	MLR minus certain rate*
4.	16 October 2008	-	-	-	-	8 years	Every 6 months	August 2010 - February 2017	MLR minus certain rate*
5.	14 May 2009	-	360.00	-	360.00	5 years	Every 6 months	November 2009 - May 2014	Fixed rate
Total		-	447.80	-	447.80				
Less: Current portion		-	(110.00)	-	(110.00)				
Long-term loans, net		-	337.80	-	337.80				

* The interest rate are not lower than fixed deposit 12 months plus fixed rate.

Movements in the long-term loans account during the year 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2009	447,797	447,797
Less: Repayment	(447,797)	(447,797)
Balance as at 31 December 2010	-	-

As at 31 December 2010, most of the Company and its subsidiary's property under development and available for rent/sale, property for rent, leasehold rights and its subsidiary's land and building with a net book value of Baht 3,768.0 million (2009: Baht 4,031.2 million) have been pledged as collateral for aforesaid long-term loans. Its subsidiary's credit facilities amounting to Baht 2,960.6 million (2009: Baht 2,960.6 million) are guaranteed by the Company.

As at 31 December 2009, Company's certain of the Company's investment units in TICON Property Fund with a value under the equity method amounting to Baht 482.8 million have been pledged as collateral for aforesaid long-term loans.

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.

As at 31 December 2010, the long-term loan credit facilities of the Company and its subsidiary which have not yet been drawn down amounted to Baht 1,362.3 million (2009: Baht 1,362.3 million).

20.2 Long-term promissory notes

As at 31 December 2009, a subsidiary has issued five non-interest bearing promissory notes avaled by a financial institution, amounting to Baht 53.7 million in order to settle trade accounts payable. The promissory notes will be due within 3 years from the issued date in May and June 2010.

21. DEBENTURES

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

No.	Issued date	No. of debentures	Amount	Coupon rate	Tenure	Maturity date
		(Million units)	(Million Baht)	(% p.a.)		
1/2008	14 May 2008	0.50	500	4.660%	3 years	14 May 2011
2/2008	5 August 2008	0.50	500	5.400%	3 years	5 August 2011
1/2009	19 August 2009	0.65	650	4.550%	3 years	19 August 2012
2/2009	28 September 2009	0.20	200	4.300%	3 years	2 October 2012

Information in the consolidated balance sheets is presented by real estate (for sales/rent) and other segments as at 31 December 2010 and 2009 as follows:

(Unit: Million Baht)

	Real estate business		Others		Total	
	2010	2009	2010	2009	2010	2009
Property under development and available for rent/sale, net	4,742	4,798	-	-	4,742	4,798
Property for rent, net	3,921	3,885	-	-	3,921	3,885
Property, plant and equipment, net	565	92	-	-	565	92
Other assets	-	-	3,257	2,334	3,257	2,334
Total assets					12,485	11,109

The Company and its subsidiaries have applied the transfer prices as described in Note 7 to the financial statements.

30. DIVIDEND

(Unit: Baht)

Dividend	Approved by	Total dividends	Dividend per share
Dividend from the operating results of the year 2009	Annual General Meeting of the shareholders on 23 April 2010	537,722,731	0.80
Dividend from the operating results of the year 2008	Annual General Meeting of the shareholders on 23 April 2009	526,454,042	0.80

No.	Issued date	No. of debentures (Million units)	Amount (Million Baht)	Coupon rate (% p.a.)	Tenure	Maturity date
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
		5.15	5,150			

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	
	2010	2009
Debentures	5,150,000	3,350,000
Less: Current portion	(1,000,000)	(500,000)
Debentures - net of current portion	4,150,000	2,850,000

Movements in the debentures account during the year ended 31 December 2010 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements
Balance - beginning of year	3,350,000
Add: Issuance of debentures during the year	2,300,000
Less: Redemption during the year	(500,000)
Balance - end of year	5,150,000

22. SHARE CAPITAL

22.1 Registered share capital

Resolutions of the Board of Directors' Meeting No.2/2009, held on 27 February 2009, approved a Baht 2.85 million decrease in the registered capital of the Company, from Baht 895.33 million to Baht 892.48 million by means of cancellation of 2.85 million shares, divided into 0.006 million shares reserved for unexercised warrants issued in 2002 (TICON-W1), 0.49 million shares reserved for cancelled warrants issued in 2006 (TICON-W2), and 2.36 million shares reserved for exercise of the warrants issued for the existing shareholders in February 2009 (TICON-W3), which are the shares in excess of the number of warrants issued. The meeting of the Board of Directors then passed a resolution approving a Baht 144.77 million increase in the registered capital of the Company, from Baht 892.48 million to Baht 1,037.25 million reserved for exercise of warrants issued in May 2009 (TICON-W4 and TICON-W5). The Company registered the increase of its capital with the Ministry of Commerce on 14 May 2009.

22.2 Reconciliation of share capital which issued and paid-up

Description	Number of shares	Paid-up share capital	Premium on ordinary shares	Registration date
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)	
Issued and paid-up ordinary share				
The beginning of the year -				
31 December 2009	659,854	659,854	2,666,601	
Increase due to exercise of warrants:				
No. 1/2009				
TICON-W2	337	337	2,559	7 January 2010
No. 2/2009				
TICON-W4	5	5	35	7 January 2010
No. 1/2010				
TICON-W2	11,592	11,592	88,070	19 February 2010
No. 2/2010				
TICON-W3	4	4	73	8 April 2010
TICON-W4	363	363	2,540	8 April 2010

Description	Number of shares	Paid-up share capital	Premium on ordinary shares	Registration date
	(Thousand shares)	(Thousand Baht)	(Thousand Baht)	
No. 3/2010				
TICON-W4	5	5	31	6 July 2010
No. 4/2010				
TICOM-W4	14,186	14,186	97,996	5 October 2010
The end of year - 31 December 2010	686,346	686,346	2,857,905	

23. WARRANTS

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

					As of issued date			
Warrant	Issued to	Issuance date of warrant	Number of warrant issued	Period of warrant	Exercise price per share	Exercise ratio per 1 warrant	The exercise period	Exercise date
TICON-W2	Directors and employees	16 February 2006	25,618,000	4 years	8.956	1.00952	30 June 2006 - 15 February 2010	Exercise on the last business day of each quarter
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	387,531,709					

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
30 April 2007	TICON-W2	Baht 8.661	1.04502 ordinary shares	29 June 2007
7 May 2008	TICON-W2	Baht 8.633	1.04846 ordinary shares	30 June 2008
22 May 2009	TICON-W4	Baht 8.000	1.00000 ordinary shares	30 June 2009

Date	Warrant	Exercise price per share	Exercise ratio per 1 warrant	Effective date
25 May 2009	TICON-W2	Baht 8.597	1.05281 ordinary shares	30 June 2009
25 May 2009	TICON-W3	Baht 19.917	1.00415 ordinary shares	31 March 2010
4 May 2010	TICON-W3	Baht 19.688	1.01583 ordinary shares	30 June 2010
4 May 2010	TICON-W4	Baht 7.908	1.01164 ordinary shares	30 June 2010
4 May 2010	TICON-W5	Baht 7.908	1.01164 ordinary shares	29 June 2012

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

Warrant	Number of warrants outstanding as at 31 December 2009	Number of warrants exercised during the year	Number of warrants cancelled during the year	Number of warrants outstanding as at 31 December 2010
TICON-W2	12,353,116	(11,011,219)	(1,341,897)	-
TICON-W3	219,353,636	(3,833)	-	219,349,803
TICON-W4	107,886,941	(27,588,419)	-	80,298,522
TICON-W5	32,883,000	-	-	32,883,000
Total	372,476,693	(38,603,471)	(1,341,897)	332,531,325

On 30 December 2010, the warrantholders exercised 13,198,382 TICON-W4 warrants to purchase 13,351,992 ordinary shares at Baht 7.908 each. The Company recorded the total of Baht 105.6 million received as a result of the exercise of such warrants under the caption "Cash receipts from share subscription", presenting it under shareholders' equity in the balance sheets. The Company registered the above increase in its paid up share capital to be Baht 699,697,720 with the Ministry of Commerce on 6 January 2011. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities as from 12 January 2011.

24. 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.

25. EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Salary and wages and other employee benefits	112,445,313	97,304,507	94,561,164	97,134,507
Depreciation and amortisation	265,172,583	258,647,884	161,023,250	155,492,773
Rental expense from operating lease agreements	33,403,394	33,600,164	25,567,754	26,260,547

26. CORPORATE INCOME TAX AND DEFERRED TAX ASSETS/LIABILITIES

The income tax expenses for the years 2010 and 2009 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Current income tax	307,372,600	33,815,039	300,750,749	33,815,039
(Increase) decrease in deferred tax assets	(56,574,818)	1,447,083	(1,320,056)	1,447,083
Increase in deferred tax liabilities	7,130,308	-	5,283,913	-
Income tax as included in income statement	257,928,090	35,262,122	304,714,606	35,262,122

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2010 and 2009 is as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Accounting net income before income tax	1,079,026,699	688,538,900	1,292,637,134	305,543,583
Applicable tax rate - 25% for the first amounted Baht 300 million of the net profit of the Company,30% for the excess amounted Baht 300 million of the net profit of the Company and 30% for the net profit of its subsidiaries	309,401,182	196,543,866	372,791,140	76,385,896
Tax effect of non-deductible expenses and income	(51,473,092)	(161,281,744)	(68,076,534)	(41,123,774)
Income tax as included in income statements	257,928,090	35,262,122	304,714,606	35,262,122

The components of deferred tax assets/liabilities as presented in balance sheets consist of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Deferred tax assets				
Unrealised gain on transfer of properties to associates	254,865,000	199,610,238	-	-
Unearned income from construction services	737,705	448,797	737,705	448,797
Others	2,855,281	1,824,133	2,855,281	1,824,133
Total	258,457,986	201,883,168	3,592,986	2,272,930
Deferred tax liabilities				
Operating leases receivables	7,130,308	-	5,283,913	-
Total	7,130,308	-	5,283,913	-

27. 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 2010, the Company and its subsidiary contributed Baht 2.4 million (2009: Baht 2.2 million) to the fund.

28. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing net income for the year by the sum of the weighted average number of ordinary shares in issue during the year and 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 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					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Net income attributable to equity holders of the parent	821,099	653,277	674,290*	658,524	1.22	0.99
Effect of dilutive potential ordinary shares						
Warrants						
TICON-W2	-	-	382	-		
TICON-W4	-	-	30,988	-		
TICON-W5	-	-	9,794	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	821,099	653,277	715,454	658,524	1.15	0.99

* Includes the ordinary shares resulting from the exercise of warrants on 30 December 2010.

	Separate financial statements					
	Net income		Weighted average number of ordinary shares		Earnings per share	
	2010	2009	2010	2009	2010	2009
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Net income attributable to equity holders of the parent	987,923	270,281	674,290*	658,524	1.47	0.41
Effect of dilutive potential ordinary shares						
Warrants						
TICON-W2	-	-	382	-		
TICON-W4	-	-	30,988	-		
TICON-W5	-	-	9,794	-		
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares	987,923	270,281	715,454	658,524	1.38	0.41

*Includes the ordinary shares resulting from the exercise of warrants on 30 December 2010.

The warrants allocated to the existing shareholders of the Company (TICON-W3) for the year ended 31 December 2010, and the warrants allocated to the directors and employees of the Company (TICON-W2 and TICON-W5) and the existing shareholders of the Company (TICON-W3 and TICON-W4) for the year ended 31 December 2009 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.

29. 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 2010 and 2009 by segment.

(Unit: Million Baht)

	Real estate business		Construction service business		Total	
	2010	2009	2010	2009	2010	2009
Revenues	2,762	2,352	21	21	2,783	2,373
Segment income	1,277	999	5	7	1,282	1,006
Unallocated income and expenses:						
Other income					150	86
Selling expenses					(14)	(14)
Administrative expenses					(148)	(135)
Depreciation and Amortisation expenses					(95)	(84)
Management benefit expenses					(38)	(33)
Other expenses					(5)	(3)
Share of income from investments in associates					208	159
Finance cost					(261)	(294)
Corporate income tax					(258)	(35)
Net income					821	653

31. 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)

The subsidiaries' operating revenues for the years ended on 31 December 2010 and 2009 are below divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)

	Promoted		Non-promoted		Total	
	2010	2009	2010	2009	2010	2009
Rental and service income	141,842	205,738	51,971	26,143	193,813	231,881
Revenues from construction services	-	-	329	3,675	329	3,675
Sales of properties to related parties	-	1,530,000	-	-	-	1,530,000
Utility income	949	677	6,944	4,345	7,893	5,022
Management fee income from related companies	-	-	2,355	1,621	2,355	1,621
Interest income	80	105	32	63	112	168
Other income	80	766	1,934	882	2,014	1,648
Total	142,951	1,737,286	63,565	36,729	206,516	1,774,015

32. COMMITMENTS AND CONTINGENT LIABILITIES

32.1 Long-term lease agreements

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

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

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

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

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

As at 31 December 2010, the Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating leases contracts as follows.

(Unit: Million Baht)

Payable within:	Consolidated financial statements	Separate financial statements
Less than 1 year	32.7	24.8
1 to 5 years	80.8	53.2
More than 5 years	122.6	103.5

32.2 Capital commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Agreements to purchase land for construction of future warehouses	249.0	-	-	-
Agreements with contractors	290.3	405.9	39.6	18.8
Agreements for landfill	0.1	-	-	-
Total	539.4	405.9	39.6	18.8

32.3 Bank guarantees

(a) The Company has guaranteed bank guarantee facilities of its subsidiaries amounting to Baht 146.2 million.

(b) As at 31 December 2010, there were outstanding bank guarantees issued by the bank on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the business of the Company are categorised by purpose as follows:

(Unit: Million Baht)

Purpose of Guarantees	Consolidated financial statements	Separate financial statements
Long-term land lease agreements	34.6	23.4
Utilities for construction projects	8.7	4.4
Operation for construction projects	11.5	7.2
Free Zone Establishment	5.0	-
Total	59.8	35.0

32.4 Servitude over property

As at 31 December 2010 and 2009, the Company and its subsidiary have servitude over land of approximately 82 rai (The company only : 53 rai) of which the net book value is Baht 166.5 million (The company only : Bah 131.8 million) and is presented under property for rent and property, plant and equipment.

32.5 Guarantee of lease and service incomes

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

As at 31 December 2010, 15 million of the Company's investment units in the Fund, with a value under the equity method of Baht 103.7 million, are pledged with a bank as collateral for this guarantee.

33. FINANCIAL INSTRUMENTS

33.1 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 accounts receivable, operating leases receivables, loans, 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 balance sheet.

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 2010 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 date if this occurs before the maturity date.

	Consolidated financial statements as at 31 December 2010						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Average interest rate
	(Million Baht)						(% p.a.)
Financial assets							
Cash and cash equivalent	1.36	-	-	181.46	0.41	183.23	1.06
Current investment - treasury bills/bonds	847.37	-	-	-	-	847.37	1.51
Trade accounts receivable, net	-	-	-	-	13.70	13.70	-
Other receivables - related parties	-	-	-	-	14.40	14.40	-
Deposits at financial institutions							
with restrictions	0.13	-	-	10.73	-	10.86	0.50
Operating leases receivables	-	-	-	-	29.47	29.47	-
Investments in associated companies, net	-	-	-	-	1,820.71	1,820.71	-
Investment in related company, net	-	-	-	-	0.26	0.26	-
	848.86	-	-	192.19	1,878.95	2,920.00	
Financial liabilities							
Trade accounts payable	-	-	-	-	112.92	112.92	-
Other payable - related party	-	-	-	-	0.32	0.32	-
Debentures	-	5,150.00	-	-	-	5,150.00	4.29
Long-term loans from related party	-	1,021.43	-	0.05	-	1,021.48	4.49
	-	6,171.43	-	0.05	113.24	6,284.72	

	Separate financial statements as at 31 December 2010						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Average interest rate
	(Million Baht)						(% p.a.)
Financial assets							
Cash and cash equivalent	1.36	-	-	151.80	0.22	153.38	0.50
Current investment - treasury bills/bonds	847.37	-	-	-	-	847.37	1.51
Trade accounts receivable, net	-	-	-	-	10.65	10.65	-
Other receivables - related parties	-	-	-	-	109.79	109.79	-
Short-term loan to and accrued interest from subsidiary	-	-	-	1,398.77	-	1,398.77	5.53
Deposits at financial institutions with restrictions	0.13	-	-	-	-	0.13	0.61
Operating leases receivables	-	-	-	-	17.67	17.67	-
Investments in subsidiaries	-	-	-	-	2,577.76	2,577.76	-
Investments in associated companies, net	-	-	-	-	2,972.10	2,972.10	-
Investment in related company, net	-	-	-	-	0.26	0.26	-
	848.86	-	-	1,550.57	5,688.45	8,087.88	
Financial liabilities							
Trade accounts payable	-	-	-	-	43.67	43.67	-
Other payable - related party	-	-	-	-	8.56	8.56	-
Debentures	-	5,150.00	-	-	-	5,150.00	4.29
Long-term loans from related party	-	1,021.43	-	0.05	-	1,021.48	4.49
	-	6,171.43	-	0.05	52.23	6,223.71	

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 2010 are summarised below.

Foreign currency	Financial liabilities	Exchange rate as at 31 December 2010
	(Million)	(Baht per 1 foreign currency unit)
US dollar	0.06	30.2963

33.2 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 balance sheets.

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.

34. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in a long-term loan agreement with a financial institution and debentures, which require the Company to maintain a debt-to-equity ratio of not more than 2.5:1.

The Company's capital used to calculate above financial ratio includes ordinary shares, cash receipts from share subscription, premium on ordinary shares, excess of investment over book value of a subsidiary and retained earnings.

No changes were made in the objectives, policies or processes during the years end 31 December 2010 and 2009.

35. SUBSEQUENT EVENT

On 23 February 2011, the Board of Directors' Meeting No. 1/2011 of the Company resolved the resolution to pay dividend of Baht 1.00 per share from 2010 earnings, on 19 May 2011. The resolution is subject to approval of the Company's Annual General Meeting of Shareholders to be held on 25 April 2011.

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

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2011.

CERTIFICATION OF THE ACCURACY OF AUDITOR'S REMUNERATION DETAILS FOR THE FISCAL YEAR ENDED DECEMBER 2010

Audit fee

No.	Company's name	Auditor's name	Audit fee (Baht)
1	TICON Industrial Connection Public Co., Ltd. and its Subsidiaries	Ernst & Young Office Limited (By Ms. Rungnapa Lertsuwankul)	1,400,000.00
Total Audit fee			1,400,000.00

Non-audit fee

No.	Company's name	Non-audit service	Service provider	(Non-audit fee)	
				Amount paid in the period	Amount to be paid later
	-None-				
Total Non-audit fee					

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 herby 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.

Rungnapa Lertsuwankul

(Ms. Rungnapa Lertsuwankul)

Ernst & Young Office Limited

Auditor of TICON Industrial Connection Public Co., Ltd.

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PUBLIC COMPANY LIMITED

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