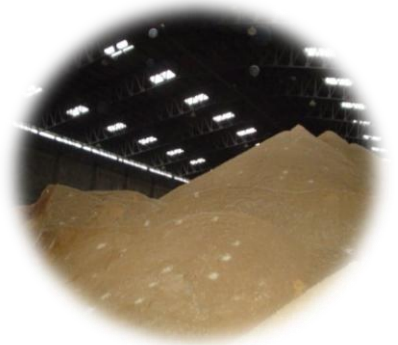




THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED



Annual Report 2010

Contents

Annual message from the chairman	1
Board of Directors	2
Executive Summary	6
Issuance Company	7
1. Risk factor	8
1.1 Warehouse Management Risk	8
1.2 Delivery Condition Changing Risk	8
1.3 Operation Risk	8
1.4 New Project Investment Risk	8
1.5 Risk in the supply of raw materials	9
2. Business Characteristic	9
Major Events in 2010	10
Subsidiary Businesses	13
Capital Investment of Subsidiary	17
3. Business Operation	19
Industry Competition	21
4. Properties Used in the Business Operations	24
5. Legal Dispute	26
6. Capital Structure	26
Company's Contingencies Regarding the Issuance of Shares in the Future	26
Dividend Payment Policy	26
Major Shareholders during the past years ended on 31 December 2010	27
7. Management	28
Management Structure	28
Board of Directors and Sub-Committees	28
1.Board of Directors	28
2. Audit Committee	35
3. Nominating and Remuneration Committee	37
4. Good Corporate Governance Committee	38
5. Executive Committee	40
6. Risk Management Committee	41
Remuneration of Directors and Executives	42
Personnel	44
8. Internal Control	45
Corporate Governance	45
1. Right and Equality of Shareholders	46
2. Shareholders' Meeting	47
3. Rights of Stakeholders	48
Responsibilities to society, community, and environment	49
Possibilities to Personnel and Employees	50
4. Board of Director's responsibility	51
5. Leadership and Vision	52
6. Conflict of Interest	52

Contents (continued)

7. Business Ethics	53
8. Check and Balance of non-executive Directors	53
Control on the Company's Striated Information	53
Relationship with Investors	53
9. Transactions between the company and its related parties	54
Audit Committee Annual Report	67
Board of Directors financial preparation reports	68
10. Financial Status and Performance	69
Reference	93
Details of Thai sugar Terminal public Company Limited's Board of Directors	95
Board of Directors in Thai Sugar Terminal Public Company Limited and Subsidiaries	103
Financial Statement Yearly 2010	104
Auditor's Report	
Financial Statement and Notes to Financial Statement	

Annual message from the chairman 2010



The drought conditions across the country have been occurring continuously since 2009. As a result, the country's agricultural sector has been severely affected and almost all kinds of products incredibly decrease in production. Sugar, which is a part of sugarcane production, has been affected as well. The quantity of raw sugar and molasses, which were sent to process in production year 2008/2009 were 731,039 tons and then down to 473,638 tons in year 2009/2010. And also with the price of oil that has been growing in the world markets forcing the cost of production to increase. All together begins with the transportation cost, production cost, cargo and freight handling cost, labor cost, ocean freight cost to export to foreign countries. Affecting from these factors, many factories try to find the most effective ways to reduce costs in order to optimize profits and keep the business running under the circumstances. Many have built their own storages to keep the products they produce so this way could reduce the cargo and freight handling charge before exporting to foreign countries. Consequently our business, cargo and freight service has been hardly affected from the crisis. Seeing that the company 2010 annual turnover has declined 41.59 percent from the previous year as the decline in number of customers and the company 170 million investment in the subsidiary (TS Oil Industry Co., Ltd.) with being the major shareholder of 94.31 percent. The subsidiary operates to produce palm oil for consumption. The construction began in early year 2009. The equipment has been fully equipped in May 2010 and was able to begin producing palm oil for business in the second quarter of year 2010.

Nevertheless, the Board of Directors is committed to develop the strengthen in all aspects including facilities development to provide better service to customers as well as building good relationship with customers to gain their satisfactions and become our return customers. Also continue to build a new network of customers and be of the best service to them. We try to maximize profit based on commercial ethics to return in the best benefits for all parties at the present and in the future.

To end with, The Board of Directors would like to thank you all shareholders and customers for your trust and continuing support.





(Mr. Pricha Attavipach)


Chairman


March 18,2011

<p> Name : Mr. Pricha Attavipach Age : 73 Years Old Nationality : Thai </p>  <p> Education Background : Bachelor of Industrial engineering, Chulalongkorn University : Master of Industrial Engineering and Management, Oklahoma State University, U.S.A. </p> <p> Director's Training : Certificate of Finance for Non - Finance Directors (FND 8/2004) : Certificate of Director Certification Program (DCP 39/2004) : Certificate of Audit Committee Program (ACP 11/2006) Thailand Institute of Director (IOD) </p> <p> Current Position : Chairman and Independent Director Thai Sugar Terminal Public Company Limited and its subsidiaries </p> <p> Shareholding : None </p> <p> Relationship with executives or shareholder : None </p> <p> Director's / Executive's Position in other business </p> <p> (a) Name of non-registered companies that currently hold the position </p> <table border="0"> <tr><td>Chairman</td><td>: Ruamkij Aungthong Warehouse Limited</td></tr> <tr><td>Chairman</td><td>: Kaset Thai Sugar Limited</td></tr> <tr><td>Chairman</td><td>: Thai Identity Sugar Factory CO., Ltd.</td></tr> <tr><td>Chairman</td><td>: Ruampol Enterprise Company Limited</td></tr> <tr><td>Chairman</td><td>: Pan Paper Co., Ltd.</td></tr> <tr><td>Chairman</td><td>: Chainant Bangplee Parkland Co., Ltd.</td></tr> <tr><td>Chairman</td><td>: Siam P.P. International Co., Ltd.</td></tr> <tr><td>Chairman</td><td>: Environment Pulp And Paper Co., Ltd.</td></tr> <tr><td>Chairman</td><td>: Ekarat Pattana Co., Ltd.</td></tr> </table> <p> (b) Name of other registered companies : </p> <table border="0"> <tr><td>Chairman</td><td>T S Flour Mill Public Company Limited (Subsidiaries)</td></tr> <tr><td>Chairman</td><td>Tongkah Harbour Public Company Limited</td></tr> <tr><td>Independent directors / Audit Committee</td><td>Thai Siam Cement Public Company Limited</td></tr> <tr><td>Chairman of Audit Committee/</td><td>Thai Rung Union Car Public Company Limited</td></tr> <tr><td>Director/Independent Director</td><td></td></tr> </table> <p> (c) Name of business that may lead to conflict of interest : None </p>	Chairman	: Ruamkij Aungthong Warehouse Limited	Chairman	: Kaset Thai Sugar Limited	Chairman	: Thai Identity Sugar Factory CO., Ltd.	Chairman	: Ruampol Enterprise Company Limited	Chairman	: Pan Paper Co., Ltd.	Chairman	: Chainant Bangplee Parkland Co., Ltd.	Chairman	: Siam P.P. International Co., Ltd.	Chairman	: Environment Pulp And Paper Co., Ltd.	Chairman	: Ekarat Pattana Co., Ltd.	Chairman	T S Flour Mill Public Company Limited (Subsidiaries)	Chairman	Tongkah Harbour Public Company Limited	Independent directors / Audit Committee	Thai Siam Cement Public Company Limited	Chairman of Audit Committee/	Thai Rung Union Car Public Company Limited	Director/Independent Director		<p> Name : Mr. Chadej Insawang Age : 64 Years Old Nationality : Thai </p>  <p> Education Background : Master of Political Science ,Thammasat University : Bachelor of Law ,Thammasat University </p> <p> Director's Training : Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD) </p> <p> Current Position : Chairman of Audit Committee/Independent Director Thai Sugar Terminal Public Company Limited </p> <p> Shareholding : None </p> <p> Relationship with executives or shareholder : None </p> <p> Director's / Executive's Position in other business </p> <p> (a) Name of non-registered companies that currently hold the position </p> <table border="0"> <tr><td>Director</td><td>T S Warehouse Company Limited</td></tr> <tr><td>Director</td><td>T S G Asset Company Limited</td></tr> <tr><td>Director</td><td>T S Oil Industry Company Limited</td></tr> <tr><td>Director</td><td>T S Transport and Logistics Company Limited</td></tr> </table> <p> (b) Name of other registered Companies : None </p> <p> (c) Name of business that may lead to conflict of interest : None </p>	Director	T S Warehouse Company Limited	Director	T S G Asset Company Limited	Director	T S Oil Industry Company Limited	Director	T S Transport and Logistics Company Limited
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Director	T S Oil Industry Company Limited																																				
Director	T S Transport and Logistics Company Limited																																				
<p> Name : Mr. Prapas Chutimavoraphand Age : 73 Years Old Nationality : Thai </p>  <p> Education Background : Matayom 6, Banbung School </p> <p> Director's Training : Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD) </p> <p> Current Position : Managing Director and Chairman of Executive Board (Authorized Director) Thai Sugar Terminal Public Company Limited and its subsidiaries </p> <p> Shareholding : 430,399 shares (0.33%) </p> <p> Relationship with executives or shareholder : Farther of Mr. Chanachai Chutimavoraphand Director and Executive Director </p> <p> Director's / Executive's Position in other company </p> <p> (a) Name of non-registered companies that currently hold the position </p> <table border="0"> <tr><td>Director and Senior Executive Vice President</td><td>New Kwang Sun Lee Sugar Company Limited</td></tr> <tr><td>Director and Senior Executive Vice President</td><td>New Krung Thai Sugar Factory Company Limited</td></tr> <tr><td>Director and Senior Executive Vice President</td><td>Tamaka Sugar Company Limited</td></tr> <tr><td>Managing Director</td><td>On nuj Construction Company Limited.</td></tr> <tr><td>Director</td><td>Khon Kaen Sugar Power Plant Company Limited</td></tr> <tr><td>Director</td><td>Para High Tech Company Limited</td></tr> <tr><td>Director</td><td>Bangkok Boutique Hotel (Thailand) Limited.</td></tr> </table> <p> (b) Name of other registered companies </p> <table border="0"> <tr><td>Chairman of Director</td><td>T S Flour Mill Public Company Limited (Subsidiaries)</td></tr> <tr><td>Director and Senior Executive Vice President</td><td>Khon Kaen Sugar Company Limited</td></tr> </table> <p> (c) Name of business that may lead to conflict of interest : None </p>	Director and Senior Executive Vice President	New Kwang Sun Lee Sugar Company Limited	Director and Senior Executive Vice President	New Krung Thai Sugar Factory Company Limited	Director and Senior Executive Vice President	Tamaka Sugar Company Limited	Managing Director	On nuj Construction Company Limited.	Director	Khon Kaen Sugar Power Plant Company Limited	Director	Para High Tech Company Limited	Director	Bangkok Boutique Hotel (Thailand) Limited.	Chairman of Director	T S Flour Mill Public Company Limited (Subsidiaries)	Director and Senior Executive Vice President	Khon Kaen Sugar Company Limited	<p> Name : Mr. Pong Chinthammit Age : 54 Years Old Nationality : Thai </p>  <p> Education Background : Bachelor of Science, Industrial Technology fields. Roger Williams University </p> <p> Director's Training : Certificate of Director Accreditation Program (DAP 10/2004) Thailand Institute of Director (IOD) </p> <p> Current Position : Senior Executive Vice President and Vice Chairman of Executive Borad (Authorized Director) Thai Sugar Terminal Public Company Limited and its subsidiaries </p> <p> Shareholding : None </p> <p> Relationship with executive or shareholder : Uncle of Mr. Win Chinthammit, Non-executive Director </p> <p> Director's / Executive's Position in other company </p> <p> (a) Name of non-registered companies that currently hold the position </p> <table border="0"> <tr><td>Executive Vice President</td><td>Prachuab Industry Company Limited</td></tr> <tr><td>Executive Vice President</td><td>K.C. Agriculture Company Limited</td></tr> <tr><td>Director</td><td>K.S.L. Export Trading Company Limited</td></tr> </table> <p> (b) Name of other registered companies : None </p> <p> (c) Name of business that may lead to conflict of interest : None </p>	Executive Vice President	Prachuab Industry Company Limited	Executive Vice President	K.C. Agriculture Company Limited	Director	K.S.L. Export Trading Company Limited												
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Director	K.S.L. Export Trading Company Limited																																				


Name	: Mr. Chanachai Chutimavoraphand	
Age	: 39 Years Old	
Nationality	: Thai	
Education Background	: Bachelor of Law, Chulalongkorn University Bachelor of Engineering, Chulalongkorn University Master of Engineering, Industrial Engineering, USA Master of Business Administration, Tennessee University, USA	
Director's Training	: Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	
Current Position	: Executive Director (Authorized Director) Nomination and Remuneration Committee Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 28,873,680 shares (21.87%)	
Relationship with executives or shareholders	: Son of Mr. Prapas Chutimavoraphand Managing Director and Chairman of Executive Board	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Vice President Finance & Accounting	New Kwang Sun Lee Sugar Company Limited	
Executive Vice President Finance & Accounting	Tamaka Company Limited	
Executive Vice President Finance & Accounting	New Krungthai Sugar Factory Company Limited	
(b) Name of other registered companies		
Executive Director	T S Flour Mill Public Company Limited (Subsidiaries)	
Executive Vice President Finance & Accounting	Khon Kaen Sugar Public Company Limited	
(c) Name of business that may lead to conflict of interest : None		


Name	: Mr.Narong Chenlarpwatanakul	
Age	: 45 Years Old	
Nationality	: Thai	
Education Background	: Bachelor of Economics, Thammasat University	
Director Training	: Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	
Current Position	: Executive Director (Authorized Director) Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: None	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Director	Mitkaset Industry Company Limited	
Director	Wattanakul Oxygen company Limited	
(b) Name of other registered companies : T S Flour Mill Public Company Limited (Subsidiaries)		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Suang Ruangsook	
Age	: 77 Years Old	
Nationality	: Thai	
Education Background	: Advanced Accounting Certificate, Bangkok Business College	
Director Training	: Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	
Current Position	: Independent Director and Audit Committee Thai Sugar Terminal Public Company Limited	
Shareholding	: 271,920 Shares (0.21%)	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Advisory Board	Eastern Sugar and Cane Company Limited	
Director	PPTL Trading Limited Partnership	
(b) Name of other registered companies : None		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr.Nisakorn Parkpean	
Age	: 63 Years Old	
Nationality	: Thai	
Education Background	: Bachelor of Accounting, Chulalongkorn University	
Director Training	: Certificate of Director Accreditation Program (DAP 30/2004) Thailand Institute of Director (IOD)	
Current Position	: Independent Director and Audit Committee Chairman of the Nominating and Compensation Committee Thai Sugar Terminal Public Company Limited	
Shareholding	: 178,200 shares (0.14%)	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Chairman	Siam Furline Company limited	
Managing Director	Thai Teak Asset Company Limited	
(b) Name of other registered companies : None		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Chalush Chinthammit	
Age	: 42 Years Old	
Nationality	: Thai	
Education Background	: Bachelor of BBA, Finance and Banking, Assumption University : Master of MBA Finance & Banking, Mercer University. U.S.A.	
Director Training	: Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	
Current Position	: Non-Executive Director Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 66,000 shares (0.05%)	
Relationship with executives or shareholder	: Grandchildren of Mr. Somchai Chinthammit Director	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Director and EVP	New Kwang Sun Lee Sugar Company Limited	
Executive Director and EVP	Tamaka Company Limited	
Executive Director and EVP	New Krungthai Sugar Factory Company Limited	
Executive Director and EVP	Khon Kaen Alcohol Company Limited	
Director	Khon Kaen Electricity Company Limited	
Director	Sawan Naket Sugar company Limited	
Director	KSL Export Trading company Limited	
(b) Name of other registered companies		
Director	T S Flour Mill Public Company Limited (Subsidiaries)	
Executive Director and EVP	Khon Kaen Sugar Public Company Limited	
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Somchai Chinthammit	
Age	: 59 Years Old	
Nationality	: Thai	
Education Background	: Computer, Computer College Germany	
Director Training	: Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	
Current Position	: Non-Executive Director Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 221,490 shares (0.17%)	
Relationship with executives or shareholder	: Uncle of Mr. Chalush Chinthammit Director	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Director and Executive Director	New Kwang Sun Lee Sugar Company Limited	
Director and Executive Director	Tamaka Company Limited	
Director and Executive Director	New Krungthai Sugar Factory Company Limited	
Director	Racha Fermentation Co., Ltd.	
Director	Khon Kaen Alcohol Company Limited	
Director	Khon Kaen Electricity Company Limited	
(b) Name of other registered companies		
Director	T S Flour Mill Public Company Limited (Subsidiaries)	
Director and Executive Director	Khon Kaen Sugar Public Company Limited	
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Win Chinthammit	
Age	: 36 Years Old	
Nationality	: Thai	
Education Background	: Bachelor of Electrical Engineering, Kasetsart University : Master of Information System University of Colorado U.S.A.	
Director Training	: Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	
Current Position	: Non-Executive Director (Authorized Director) Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 307,099 shares (0.23%)	
Relationship with executives or shareholder	: Grandchildren of Mr. Pong Chinthammit Senior Executive Vice President and Vice Chairman of Executive Borad	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Assistant Managing Director	Prachuab Industry Company Limited	
Executive	K.C. Agriculture Company Limited	
(b) Name of other registered companies : None		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Dhanadol Sujiphinyo	
Age	: 44 Years Old	
Nationality	: Thai	
Education Background	: Bachelor of Marketing California State University at San Bernardino (BA) : Master of Marketing and Management, Mercer University Atlanta, U.S.A.	
Director Training	: Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD)	
Current Position	: Non-Executive Director Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 1,320,000 shares (1.00%)	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Managing Director	Jomtien Garden Resort Hotel, Pattaya	
(b) Name of other registered companies		
Director	T S Flour Mill Public Company Limited (Subsidiaries)	
(c) Name of business that may lead to conflict of interest : None		

<p>Name : Ms. Jutatip Arunanondchai</p> <p>Age : 40 Years Old</p> <p>Nationality : Thai</p> <p>Education Background : BSc. in Mathematics with Management, Imperial College, University of London, UK</p> <p>: MBA in International Management University of Exeter, UK</p> <p>: MBA in Architectural Interior Design, University of Wales, UK</p> <p>Director Training : Certificate of Director Accreditation Program (DAP 78/2009)</p> <p>: Thailand Institute of Director (IOD)</p> <p>Current Position : Independent Director and Nomination and Remuneration Committee</p> <p>: Thai Sugar Terminal Public Company Limited and its subsidiaried</p> <p>Shareholding : 52,800 shares (0.04%)</p> <p>Relationship with executives or shareholder : None</p> <p>Director's / Executive's Position in other company</p> <p>(a) Name of non-registered companies that currently hold the position</p> <table border="0"> <tr> <td>Executive Director</td> <td>Ratchaburi Sugar Company Limited</td> </tr> <tr> <td>Director</td> <td>Chiang Mai Night Bazaar</td> </tr> <tr> <td>Director</td> <td>Net get jet company limited</td> </tr> </table> <p>(b) Name of other registered companies</p> <table border="0"> <tr> <td>Audit Committee/Independent Director</td> <td>: Union Plastic Public Company Limited</td> </tr> </table> <p>(c) Name of business that may lead to conflict of interest : None</p>	Executive Director	Ratchaburi Sugar Company Limited	Director	Chiang Mai Night Bazaar	Director	Net get jet company limited	Audit Committee/Independent Director	: Union Plastic Public Company Limited	<p>Name : Mr. Suphorns Chayowan</p> <p>Age : 74 Years Old</p> <p>Nationality : Thai</p> <p>Education Background : Bachelor of Animal Science,Kasetsart University</p> <p>: MBA in Food Sci & Nutrition Brigham Young University</p> <p>: Philosophy Doctor Degree of Technology and Food Science</p> <p>: University of Louisiana U.S.A</p> <p>Director Training : Certificate of Director Accreditation Program (DAP 77/2009)</p> <p>: Certificate of Director Certificate Program (DCP 112/2009)</p> <p>: Thailand Institute of Director (IOD)</p> <p>Current Position : Director</p> <p>: Thai Sugar Terminal Public Company Limited</p> <p>Shareholding : None</p> <p>Relationship with executives or shareholder : None</p> <p>Director's / Executive's Position in other company</p> <p>(a) Name of non-registered companies that currently hold the position</p> <table border="0"> <tr> <td>Managing Director</td> <td>T S Oil Industry Company Limited</td> </tr> <tr> <td>Director</td> <td>T S Warehouse Company Limited</td> </tr> <tr> <td>Director</td> <td>T S G Asset Company Limited</td> </tr> <tr> <td>Director</td> <td>T S Transport and Logistics Company Limited</td> </tr> </table> <p>(b) Name of other registered companies</p> <table border="0"> <tr> <td>Executive Director</td> <td>T S Flour Mill Public Company Limited (Subsidiaries)</td> </tr> </table> <p>(c) Name of business that may lead to conflict of interest : None</p>	Managing Director	T S Oil Industry Company Limited	Director	T S Warehouse Company Limited	Director	T S G Asset Company Limited	Director	T S Transport and Logistics Company Limited	Executive Director	T S Flour Mill Public Company Limited (Subsidiaries)		
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Executive Director	T S Flour Mill Public Company Limited (Subsidiaries)																				
<p>Name : Mr. Charnkrij Dejvitak Ph.D</p> <p>Age : 37 Years Old</p> <p>Nationality : Thai</p> <p>Education Background : Master of Business Administration, West Texas A&M university U.S.A.</p> <p>: Master of leadership and good corporate ethics Field, Saint Edward's University U.S.A.</p> <p>: Philosophy Doctor Degree of Business Administration, Touro University International U.S.A.</p> <p>Director Training : Certificate of Director Accreditation Program (DAP 79/2009)</p> <p>: Thailand Institute of Director (IOD)</p> <p>Current Position : Committee and Managing Director Assistant.</p> <p>: Thai Sugar Terminal Public Company Limited</p> <p>Shareholding : None</p> <p>Relationship with executives or shareholder : None</p> <p>Director's / Executive's Position in other company</p> <p>(a) Name of non-registered companies that currently hold the position</p> <table border="0"> <tr> <td>Executive Director</td> <td>T S Oil Industry Company Limited</td> </tr> <tr> <td>Executive Director</td> <td>T S Warehouse Company Limited</td> </tr> <tr> <td>Executive Director</td> <td>T S G Asset Company Limited</td> </tr> <tr> <td>Executive Director</td> <td>T S Transport and Logistics</td> </tr> </table> <p>(b) Name of other registered companies</p> <table border="0"> <tr> <td>Managing Director</td> <td>T S Flour Mill Public Company Limited (Subsidiaries)</td> </tr> </table> <p>(c) Name of business that may lead to conflict of interest : None</p>	Executive Director	T S Oil Industry Company Limited	Executive Director	T S Warehouse Company Limited	Executive Director	T S G Asset Company Limited	Executive Director	T S Transport and Logistics	Managing Director	T S Flour Mill Public Company Limited (Subsidiaries)	<p>Name : Ms.Yaowalak Chutimavoraphand</p> <p>Age : 41 Years Old</p> <p>Nationality : Thai</p> <p>Education Background : Bachelor of Faculty of Arts (Major Industrial and Organizational-Psychology), Thammasat University</p> <p>: Master Degree of Business Administrates (MBA)</p> <p>: Mercer University</p> <p>Director Training : Certificate of Director Accreditation Program (DAP 85/2010)</p> <p>: Thailand Institute of Director (IOD)</p> <p>Current Position : Director</p> <p>: Thai Sugar Terminal Public Company Limited</p> <p>Shareholding : 4,668,690 shares (3.54%)</p> <p>Relationship with executives or shareholder : A daughter of Mr.Prapas Chutimavoraphand</p> <p>Director's / Executive's Position in other company</p> <p>(a) Name of non-registered companies that currently hold the position</p> <table border="0"> <tr> <td>Director</td> <td>T S Warehouse Company Limited</td> </tr> <tr> <td>Director</td> <td>T S G Asset Company Limited</td> </tr> <tr> <td>Director</td> <td>T S Oil Industry Company Limited</td> </tr> <tr> <td>Director</td> <td>T S Transport and Logistics</td> </tr> <tr> <td>Director</td> <td>On nuj Construction Company Limited</td> </tr> </table> <p>(b) Name of other registered companies : None</p> <p>(c) Name of business that may lead to conflict of interest : None</p>	Director	T S Warehouse Company Limited	Director	T S G Asset Company Limited	Director	T S Oil Industry Company Limited	Director	T S Transport and Logistics	Director	On nuj Construction Company Limited
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Executive Director	T S Transport and Logistics																				
Managing Director	T S Flour Mill Public Company Limited (Subsidiaries)																				
Director	T S Warehouse Company Limited																				
Director	T S G Asset Company Limited																				
Director	T S Oil Industry Company Limited																				
Director	T S Transport and Logistics																				
Director	On nuj Construction Company Limited																				

**Executive Summary**

Thai Sugar Terminal (Public) Co., Ltd performs the transportation and logistics business : goods loading, harbour, and warehouse rental. The company and its subsidiary are in the adjacent area; there are wheat flour factory, sack weave factory and Palm Oil Refinery Plant some area under construction for palm-oil distillation. The area is located in Sum-Rong Klang district, Amphur Prapadaeng, Samudprakarn with 124 rai and 98 square wah. The company core business are consisted of product loading (such as raw sugar, white sugar, and molasses for main product), warehouse for product preservation before loading up to the ocean liner, moreover; it has been used to rent out for product storage (such as rice , oil, and other agricultural products before loading up to the marine, or transfer for internal distribution.

Nowadays, there are 5 subsidiaries which various kind of business operation; turnover on dated 31 December 2010: total income from business operation is 2,011.44 million baht¹ net profit 62.51 million baht. The summary profit from each company are as below :

Thai Sugar Terminal (Public) Co., Ltd.	: good loading and wharf service business ;	222.44 million baht	or	11.06 %	of gross income.
T. S. Warehouse Co., Ltd.	: warehouse business service ;	35.22 million baht	or	1.75 %	of gross income.
T. S. Flourmill (Public) Co., Ltd.	: wheat flour factory business ;	906.86 million baht	or	45.09 %	of gross income.
T. S. G. Asset Co., Ltd.	: real estate rental business ;	13.47 million baht	or	0.67 %	of gross income.
T. S. Transportation and Logistics Co., Ltd.	: sack weave factory, product transportation, and security service business ;	50.36 million baht	or	2.50 %	of gross income.
T. S. Oil Industry Co., Ltd.	: palm oil distilled factory business;	783.09 million baht	or	38.93 %	of gross income.
Total income :		<u>2,011.44</u> million baht	Total	<u>100%</u>	of gross income

Note Income is not less transactions

At present the authorized capital is 132,000,000 baht (One Hundred and Thirty Two million baht) : common stocks is 132,000,000 shares (One Hundred and Thirty Two million shares) par value is 1 baht, paid-up share capital 131,999,970 shares (One Hundred and Thirty One million Nine Hundred Ninety Nine Thousand Nine Hundred and Seventy shares) or 131,999,970 baht (One Hundred and Thirty One million Nine Hundred Ninety Nine Thousand Nine Hundred and Seventy baht) ,total asset 2,404.83 million baht, total liability 875.35 million baht, and shareholder's equity 1,529.48 million baht.

The company turnover is always in positive rank , and bear dividend for shareholder . The company has been performed under good governance, effective internal control , and giving out the business information to the shareholder and general investor.

**Part 2 : Issuance Company**

Name of Company	: Thai Sugar Terminal Public Company Limited
Nature of Business	: Port service, godown rental service, and product loading service onto the vessel
Location of Office and Warehouse	: 90 Moo1, Poo Jao Saming Prai Road, Sam Rong Klang Sub-district, Phra Pra Dang District, Samut Prakarn Province
Company Registration Number	: 0107537001692
Telephone	: 0-2183-4567
Fax	: 0-2183-4561 and 0-2183-4562
E-mail Address	: t_s_t_e@yahoo.com
Website	: www.tstegroup.com
Registered and Paid-Up Capital	: 132,000,000 Baht Consisting of common shares of 132,000,000 shares with the value of 1 Baht per share. the paid- in common stock was 131,999,970 Baht



1. Risk Factors

The company services on warehouse rent, product loading and port which has to look after the goods since it was transported in, sent to preserved warehouse then delivered into the marine. For the customer and other relevant party benefits, the company are strictly to giving out the best service for customers which will return on more customers are impressed in our services and resulted in more dividend for the shareholders. The risk factors that can be effected to the performance, and turnover of the company in the ordinary situation are :

1.1 Warehouse Management Risk

The company warehouse is mainly preserve the sugar before loading to the marine and rent out for its subsidiary is for rent such as (T S Flourmill Public Company Limited) to store such materials. Wheat flour for distribution in the production of TS Oil Industry Co., Ltd. is a building containing rental to improve fuel types such as a 1 liter plastic bottles, plastic bags, 1 kg weight and 18 liter bucket the rest of it to other clients. Rental storage. Most include rice and cooking oil.

For the year 2010, the Company has taken to improve warehouse repair all the damage that has been deposited with the greater amount of goods and warehouse space in order to compensate for the demolition of the improvements to the company. TS Oil Industry Co., Ltd. to build oil palm oil refinery plant and TS Transport and Logistics Co., Ltd. and install machine bag packaging.

1.2 Delivery Condition Changing Risk

Business services and transportation are subject to contract with such sales to customers who may have to modify the terms of delivery, which was originally a set amount per delivery date and place of delivery. Offer Current buyers, some are investing business warehouse and wharf, water depth and the conditions for the sale include facilities to deliver sugar at the port deep its the plant to transport product to leave store waiting in the warehouse area. Deep-water berths with Therefore the quantity of product to use with lower Freight volume of work to get the number of days more for the benefit and reduce costs in the boat.

Therefore, the Company is required to improve the delivery system, as well as machines replace people to comply with these modifications. Which affect the costs of running the company. Gives rise to by In terms of administration, warehousing services. Port with external customers such as rice, cooking oil, as well as a product of agricultural crops other Increase to offset revenue reductions due to increase in the cost of sugar products available.

1.3 Operation Risk

The company highly performs in risk management : examine, receiving point check , sort the goods , deliver according to the customer criteria (such as color and sweetness), maintain all the machines & tool (transmission belt system, forklift, and other machines) in loading goods, and do the quality check periodically; in order to prevent the lost and error in operation process. Moreover; we are in well prepare of emergency situation : fire protection training, evacuation rehearsal, risk insurance for assets and employees who work in the risk part , on the highland , or with the machine and vehicle. As the customer's agreement to sell to buyers overseas. The amount of shipments per day by the company as a service provider will need to continue to deliver products in accordance with the terms of the contract. Which, if not the Company will be responsible for damages incurred

1.4 New Project Investment Risk

Thai Sugar Terminal (Public) Co., Ltd. has invested in the company and its subsidiary for the firmly company growth in long term. To protect the risk that may occur from the new investment ; in any investment we will consider all risk factors. The discussion of the risks. Both the business potential of the ability of the operator. Analyze the return on investment. Including the nature and size of the project to bring for consideration, as well as delays and cost over budget. Management meeting to set guidelines for risk prevention and monitoring progress on all sides to allow the project was based on the quality, duration and budget.



For the year 2010, the Company subsidiary as TS oil industry, which has limited the construction and installation of machinery. Refined palm oil. Which continued from the year 2009 was the construction and installation of equipment is completed and started operation in late May 2010 to the present.

1.5 Risk in the supply of raw materials.

In late 2010 continued until the year 2011 flood in different parts of Southern countries, which sources oil palm cultivation. The importance of Thailand has been affected by the flood as well. Palm oil yields in Thai shortage is not enough. To supplying palm oil refinery across the country by the Council of Ministers has approved the import of crude palm oil from Malaysia 30,000 tons, which is not enough to be allocated to the refining plant for refining oil consumption.

In addition to the problems of crude palm oil that is not enough to affect the cost of raw materials and cost of operation. Together are higher than the government price controls. Palm oil refinery plant, which makes all plants having the same problem out.

2. Business Characteristic

History and development of the company and its subsidiary

Thai Sugar Terminal Public Company Limited had been founded in 1976 by sugar industrialists which is consisted of 9 sugar factory. The previous name was The Thai Sugar Terminal Corporation Co., Ltd., with 93 rai of warehouse and pier service then expanded to 124 rai and 98 square wah for sugar preservation. At that time the warehouse nearby the Chao Praya River, 32 warehouses and 3 port, was planned to be the hub for sugar factory members then in year 1977, Thai Sugar Warehouse Co., Ltd and Thai Sugar Transportation had been founded; in year 1978, Thai Sugar Silo Warehouse Corporation Co., Ltd. had been founded. Therefore; when there were more new non-member factory; Sugar Silo Warehouse Co., Ltd and T. S. Warehouse Co., Ltd had been founded in year 1983 and 1887 in consecutive. They were sugar warehouse for pile raw sugar. The Thai Sugar Terminal Corporation Co., Ltd. registered in The Stock Exchange of Thailand on dated 13 July 1990 and became public company in year 1994 in the name of " Thai Sugar Terminal (Public) Co., Ltd. " registered no. 0107537001692 until present.

In 2001, 3 subsidiaries : Thai Sugar Warehouse Co., Ltd., Thai Sugar Silo Warehouse Co., Ltd., and Sugar Silo Warehouse Co., Ltd. had returned warehouse license to the Office of Warehouse Business Promotion and Cool Storage, Ministry of Commerce. To reduce the redundant documents in warehouse business, there was then only T S Warehouse Co., Ltd. to operate warehouse service business. The subsidiaries had been changed their names and core business for more variety.

Thai Sugar Terminal Public Company Limited capital increase from 10 million to 200 million Baht Wheat plants to operate. And changed its name to TS Flour Mills Ltd., commenced operations from June 1977 and registered capital amounting to 200 million to 400 million baht, the Thai Sugar Terminal Public Company Limited holds 98.82% later in February 2010 registered capital reduction down to 200 million baht to the applicant listed on the Stock Exchange Alternative Investment by Thai Sugar Terminal Holds in the same proportion.

Thai Sugar Silo Warehouse Corporation Co., Ltd. to T. S. G. Asset Co., Ltd. with 50 million baht authorized capital (paid-up authorized capital and Thai Sugar Terminal (Public) Co., Ltd. hold 79.78% share) operates the apartment service , 9-storeyed and 262 rooms, which is located at Soi Erawan Singthor, Pu Chao Saming Phai Rd., Amphur Prapadaeng, Samudprakarn; now 90% are rent out. In 2009, a new apartment with 45 rooms was built in the company property at Soi Siam Silo Pu Chao Saming Phai Rd., Amphur Prapadaeng, Samudprakarn, and rent out in 3rd quarter of year 2009.

Sugar Silo Warehouse Co., Ltd. to T S G Property Co., Ltd. with 30 million baht authorized capital (paid-up authorized capital and Thai Sugar Terminal (Public) Co., Ltd. hold 62.07% share) operates in property development business. It is located at Amphur Sampan, Nakornpathom. Townhouse and commercial building construction for sale. In December 2009 had changed to T S Oil Industry Co., Ltd. with 200 million baht authorized capital and Thai Sugar Terminal (Public) Co., Ltd. hold 94.31% share to do the palm oil distillation for consumption.



In 2007, Thai Sugar Transportation Co., Ltd. had changed its name to T. S. Transportation and Logistics Co., Ltd. In 2007 and with 50 million baht authorized capital (former only 5 million baht) and Thai Sugar Terminal (Public) Co., Ltd. hold 77.44% share. The company business is wheat flour transportation for its subsidiary, T S Flourmill Co., Ltd. In year 2008, the company rent Thai Sugar Terminal (Public) Co., Ltd.'s warehouse and it was built to be the plastic sack factory, the packaging for sugar factory, wheat flour factory, also agricultural product, fertilizer, and etc. for outside customer. The production and distribution were started in October 2008, then in 2009 the authorized capital was up to 30 million baht to install additional equipment. The current capital of 80 million Baht and Thai Sugar Terminal Public Company Limited hold 85.90% share.

Major Events in 2010

April 2010 Annual shareholders' meeting 1/2010 on 29 April 2010 of Thai Sugar Terminal Public Company Limited. ("the Company also known as TSTE ") plans to list its subsidiary (TS Flour Mills Company Limited) on the Market for Alternative Investment - MAI issuing common stocks to sell its shares to public for the first time (IPO) up to 85,000,000 share par value of Baht 1.00 per share, representing less than 30 percent of the total paid capital after the offering

The Company has complied with the Stock Exchange of Thailand announced to disclose in compliance with the acquisition or disposition of assets of listed companies by the year 2004. The maximum transaction for the sale of shares of the company subsidiary is 10.7 percent calculated according to the value of the assets which the company does not need to inform to the stock market. However, the Company has brought these issues proposing to the shareholders' meeting for consideration and approval and to provide clarity to the company's shareholders. Additional information is as follows:

Share capital offering information TS Flourmill Co., Ltd

Issuer	TS Flourmill Public Company Limited ("TMILL") Produce and distribute wheat flour with production capacity 250 metric ton / day or 225,000 bags (22.5 kilos bag) / month. Production established in June 2007.
Nature of Business	Offer variety of wheat products <ol style="list-style-type: none"> 1. High protein wheat flour used to make bread 2. Low protein wheat flour used to make cake, cookie, stuff bun (salapao) 3. Low protein wheat flour used to make Chinese and Japanese style noodle 4. Medium protein all purpose flour used to make noodle, patonggo, rote and other fried desserts 5. Wheat flour to used in animal feed
Type of Securities	Share capital
Register Capital	Before increase capital : 200.0 million baht (2.0 million common stock par value of Baht 100.0 per share) After increase capital : Up to 285.0 million baht (up to 285.0 million shares common stock 285.0 Par value of Baht 1.0 per share)
Par value	100.00 baht per share and will work to reduce the par value to 1.00 Baht
Number of common Stock	Up to 85.0 million shares, or less than 30 per cent of the paid capital after the offer
Offering price	To be determined



The benefits expected from the transaction

The benefits to ST Flourmill Co., Ltd

1. Raise investment funds
2. Increase funds for business expansion and working capital
3. Add value to the common stock of TMILL.

Benefits to the company (Thai Sugar Terminal Public Co., Ltd)

1. Reduce the burden of Thai Sugar Terminal Public Co., Ltd. ("TSTE") to provide financial assistance to TMILL.
2. Raise funds from the listing to expand TMILL business these will increase in value of investment in TSTE to TMILL

The impact on the Company (TSTE)

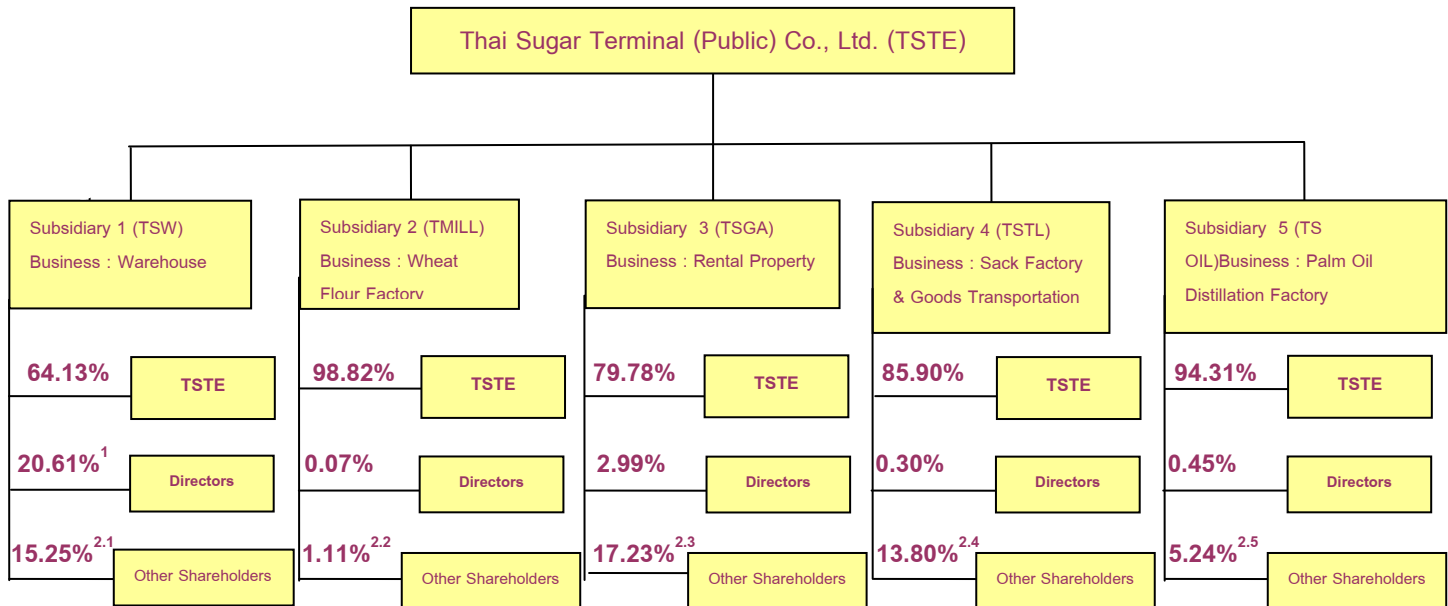
1. When TMILL put its shares up for sale, TSTE will hold TMILL shares in a smaller amount saying that it diminishes from 98.8 percent to a minimum 69.3 percent. The proportion of control in TMILL decreases according to the proportion of shares. However, yet 29.2 percent decrease TSTE still remains a major shareholder.
2. TSTE does not put its own shares up for sale, the Capital and the number of shares remains the same proportions, so the company's stock price dilution would not occur. However, decreasing of the number of shares, the TSTE will be affected from the result in profits and the proportion of shareholding will decrease from the 98.8 percent to at minimum 69.3 percent. However, TSTE will likely profit from the increased benefit from raising funds on the Stock Exchange.

June 2010 Shareholders' meeting 2/2010 on 15 June 2010 of TS Flourmill Co., Ltd. (subsidiary)
 Approved to transform to a public limited company under the name **"TS Flourmill Public Company Limited (TMILL)** Approved the par value per share, from Baht 100 (one hundred baht) per share to Baht 1(one baht).
 Increased registered capital 85 million from registered capital of 200 million is new capital of 285 million baht
 Issued new common stock 85 million shares at Baht 1 to raise funds from new investors to be listed on the Market for Alternative Investment – MAI

September 2010 Extraordinary General Meeting of shareholders 1/2010 on 9 September 2010
 (Thai Sugar Terminal Public Co., Ltd) Approved the allocation of TS Flourmill Public Co., Ltd (subsidiaries) 's shares to the shareholders of the Company according to the proportion of shareholders (Pre-emptive right) to reduce the impact and create chances saying that the company should open up opportunities for the shareholders to have the priority to subscribe for the shares of the TS Flour Mills Public Co., Ltd. The proportion of shares (Pre-emptive right), total up to 25,350,970 shares but not exceed 29.82 percent of the total shares offered to the general public (85,000,000 shares) The claim to subscribe for shares the proportionate ratio will help to reduce the impact of the Dilution Effect on the shareholders. The Company's Board of Directors of TS Flourmill Public Co., Ltd. will be authorized to consider the Conditions and details to offer the persons concerning the offered price, terms, duration and other details.

November 2010 TS Flourmill Public Co., Ltd (subsidiary) the Board of Directors' meeting 11/2010 on 25 November 2010.
 Approved the request to temporary withdraw listing on MAI stock market as well as request for all document to be returned from the Office of the Securities and Exchange Commission (SEC) to review the inaccuracies including the financial statements year end 2010 audit that has been certified by the Board of Directors. The request will be resubmitted after it has been approved from the management team of TS Public Flourmill Co.,Ltd. The revised request expecting to be approved and will be approved and listed on MAI by the year 2010.

Share Holding in Subsidiaries as on 31 December 2010



Note : 1. Warehouse Business Term & Condition 1992 has specify that the entrepreneur must hold 1/5 of company share:
Company director then hold 20.61% share in T.S. Warehouse Co., Ltd.

2. Other Shareholders of subsidiary are:

2.1 T. S. Warehouse Co., Ltd. (TSW)

Other Shareholders	% of Stock	Committee/ Executive Concernment
Mitr Kaset Industry Co., Ltd	14.15	There is Mr. Narong Jenlarpattanukul as Co- Committee
Mun Kong Siam Business Co., Ltd.	1.05	There is Mr. Chanachai Chutimaworaphan as Co- Committee
Kumphawapi Sugar Co., Ltd.	0.05	None
Other Shareholders	15.25	

2.2 T. S. Flourmill Co., Ltd. (TMILL)

12 Other Shareholder hold 1.11 % share

2.3 T.S. G. Asset Co., Ltd. (TSGA)

Other Shareholders	% of Stock	Committee/ Executive Concernment
Prachuap Industrial Co., Ltd.	5.11	There are Mr.Pong Chinthammit ,Mr. Win Chinthammit as Co- Committee
Mitr Kaset Industry Co., Ltd.	5.04	There is Mr.Narong Chenlarpattanukul as Co- Committee
Khon Kaen Sugar Industry Public Company Limited	4.10	There are Mr. Prapas Chutimaworaphan, Mr. Charat Chinthammit, and Mr. Somchai Chinthammit as Co- Committee
Munkong Siam Business Co., Ltd.	1.07	There is Mr. Chanachai Chutimaworaphan as Co- Committee
Mrs. Araya Arunanonchai	1.04	None
Mr. Suphot Arunanonchai	0.52	None
Mr. Surajak Ruangsuk	0.17	None
Mrs. Punlap Ruangsuk	0.17	None
Kumphawapi Sugar Co., Ltd.	0.01	None
Other Shareholders	17.23	

2.4 T S Transport and Logistics Co., Ltd. (TSTL)

Other Shareholders	% of Stock	Committee/ Executive Concernment
Khon Kaen Sugar Industry Public Company Limited	10.13	There are Mr. Prapas Chutimaworaphan, Mr. Charat Chinthamitr, and Mr. Somchai Chinthamitr as Co- Committee
Man Khong Siam Business Co., Ltd.	2.63	There is Mr. Chanachai Chutimaworaphan as Co- Committee
Mitr Kaset Industry Co., Ltd.	0.54	There is Mr. Narong Jenlapwattanukul as Co- Committee
Prachuap Industry Co., Ltd.	0.25	There are Mr. Phong Chinthamitr and Mr. Win Chinthamitr as Co- Committee
Total stock of 16 Shareholders	0.25	None
Other Shareholders	13.80	

2.5 T S Oil Industry Co., Ltd. (TS OIL)

Other Shareholders	% of Stock	Committee/ Executive Concernment
Mitr Kaset Industry Co., Ltd.	3.01	There is Mr. Narong Jenlapwattanukul as Co Committee
Khon Kaen Sugar Industry Public Company Limited	0.77	There are Mr. Phong Chinthamitr and Mr. Win Chinthamitr as Co Committee
Mr. Suphot Arunanonchai	0.31	None
Mr. Surajak Ruangasuk	0.10	None
Mrs. Punlap Ruangasuk	0.10	None
Man Khong Siam Business Co., Ltd.	0.16	There is Mr. Chanachai Chutimaworaphan as Co Committee
Mrs. Araya Arunanonchai	0.16	None
Kumphawapi Sugar Co., Ltd.	0.01	None
Other Shareholders	5.24	

Subsidiary Businesses

1. T S Warehouse Co., Ltd. TSW Company Registered No. 0105530047784

Registered in 1987 with 50 million baht authorized capital : there are 5000,000 common stock at par value 100 baht; 25 baht per par had been paid up (12.50 million baht) Thai Sugar Terminal (Public) Co., Ltd. hold 64.13 % of authorized capital.

The committee hold 20.61 % of T.S. Warehouse Co. Ltd. stock due to the Ministry of Commerce Proclaim in Warehouse Business Control Term & Condition 1992 that the committee of the warehouse business must hold 1 / 5 of authorized capital.

There is a warehouse for 65,000 ton of pile sugar and a 50 kgs. white sugar sack in the area of 8,767 square meters which rent from Thai Sugar Terminal (Public) Co., Ltd. For both companies have the lists for warehouse rent, property rent, loading, and service ; the service fee is calculated in fair price and same as general customer.

T S Warehouse Co., Ltd possesses the certificates according to Ministry of Commerce Proclaim in Warehouse Business Control Term & Condition 1992 ;

1. Goods deposit service for compensation or others.
2. Issue loan to the depositor (consider goods as a warrantee) for interest or other.
3. Cold storage for goods preservation for compensation or other.
4. Plant dehydration, peel cracking, selection, mix or other process for compensation or other.
5. Purchase, sell, exchange, rent, rent-out, hire-purchase, loan, mortgage, pawning for warehouse business benefit.
6. Import, export, transportation and other customs processes may arrange the insurance for the goods according to the goods storage contract.

7. The benefit must be used in buying the Security of Thai Government, or Government Organization, or State Enterprises at least 15% of paid-up capital and company reserved fund; and invested (less than 15% of paid-up capital and company reserved fund) in other company stock by the committee approval. However, total investment must not be over 30% of paid-up capital and company reserved fund.

There are various licenses.

1. Warehouse License was issued by the Office of Warehouse Business Promotion , Department of Internal Trade, Ministry of Commerce No. 1/1987, indefinite license, but the company has to follow by the Warehouse Business Control Term & Condition 1992 :

- Make a monthly report on goods category & quantity in-out .
- Do a goods check list twice a year (in June and December)
- Make an annual report of business operation and financial sheet to Director-General of Department of Internal Trade, Ministry of Commerce.
- Prepare in-out goods check book at the office for inspection at all time.

2. Factory License from Department of Industrial Works, Ministry of Industry registered no. 3-2(5)-3/36 SorPor which is valid for 5 years from 1 January 2008 – 31 December 2012. This for sugar preservation and transportation with machine and transmission belt system for export.

3. Factory License from Department of Industrial Works, Ministry of Industry registered no. 3-2(5)-4/36 SorPor which is valid for 5 years from 1 January 2008 – 31 December 2012. This for sugar preservation and transportation with machine and transmission belt system for export.

4. License as a health hazard. From the Municipality Poochao samingprai. Registration number at age 1 year 1133/2010 from the date of August 24, 2010 until August 23, 2011 warehouse space exceeds 1,000 square meters.

BOI

- None –

2. T S Flourmill Co., Ltd. (TMILL) : company registered no. 0105520001455

The company was registered in 1977 (previous name is Thai Sugar WarehouseC., Ltd.) with 10 million baht authorized capital : there are 1000,000 common stock at par value 100 baht. There was 2,880 square meters warehouse for 30,000 ton of pile goods.

In 2005, the authorized capital was increased up to 200 million baht with 2,000,000 common stock at par value 100 baht for wheat flour factory construction and changed the name to T.S. Flourmill Co., Ltd. Later in year 2007, its authorized capital was increased to 400 million baht with 4,000,000 common stock at par value 100 baht for wheat flour business's working capital. The Thai Sugar Terminal (Public) Co., Ltd. hold 98.82% share of authorized capital and sold it to the Thai Sugar Terminal Public Company Limited warehouse in May 2010.

There are various licenses.

1. Factory License from Department of Industrial Works, Ministry of Industry; registered no. 3-9(2)-4/50 SorPor which is valid for 5 years from 15 August 2007 - 20 September 2012 for wheat flour reform business.

2. Transport or Import Food into the Kingdom License from the Office of Public Health, Samudprakan: registered no. 11-4-01150 which is valid for 5 years from 12 December 2007- 31 December 2012 according to the article 15 in the Act of Food 1979 for imported food distribution.

3. Food Production License From the Office of Public Health, Samudprakan : registered no. 11-2-00151 which is valid for 3 years from 5 January 2011 -31 December 2013 according to the article 14 in the Act of Food 2009 for food production.

4. Armament Possession License from Armament Office, Ministry of Defence : registered no. 6004/2009 which is valid for 1 year from 21 December 2009- 20 December 2010 according to the Act of Armament Control 1987 for the possession of liquid chlorine (concerned as armament)

5. Halal Mark Permission Certificate from Islamic Chairman Office, Samudprakan : registered no. KorAorTor. HorLor. B131/2008 which is valid for 1 year from 5 June 2010 – 4 June 2011 for guarantee the products of T S Flourmill Co., Ltd.



6. GMP and HACCP Certificate No. TH08/1704 and TH08/1703 in a row ; from SGS (Thailand) Co., Ltd. which is valid for 3 years from 24 June 2008 – 23 June 2011 with quality check in every 6 months. This will guarantee the quality of T S Flourmill Co., Ltd. 's wheat flour.

7. ISO 22000:2005 Certificate from SGS (Thailand) Co., Ltd. : certificate no. GB08/75218 which is valid for 3 years from 16 April 2008 – 16 April 2011 with quality check in every 6 months. This will guarantee the Food Safety Management System of T S Flourmill Co., Ltd.

BOI

- None -

3. T S G Asset Co., Ltd. (TSGA) ; company registered no. 0105521016901

The company was registered in 1978 (previous name was Thai Sugar Silo Warehouse Corporation Co., Ltd.). In 2001 later after return the warehouse license and the name had been changed to T S G Asset Co., Ltd. with 50 million baht authorized capital in February 2007 (paid-up authorized capital and Thai Sugar Terminal (Public) Co., Ltd. hold 79.78% share) ; there was 500,000 stock at par value 100 baht.

T S G Asset Co., Ltd. operates the apartment service with original asset : the sugar pile warehouse space 6,250 square meters (capacity 55,000 ton) for T. S. Warehouse Co., Ltd. rental . In 2005 the company had bought the 262 rooms apartment, which is located in Soi Erawan Singthor, Pu Chao Saming Phai Rd., Amphur Prapadaeng, Samudprakarn; now 90% are rent out. In 2009, a new apartment with 45 rooms was built in the company property at Soi Siam Silo Pu Chao Saming Phai Rd., Amphur Prapadaeng, Samudprakarn, and rent out in October 2009.

There are various licenses.

1. Factory Certificate from Ministry of Industry registered no. 3-2(5)-1/36 SorPor which is valid for 5 years from 1 January 2008- 31 December 2012 as there is the sugar transportation system connect to the company warehouse.
2. Operator License ; registered no. 040651000100 and 0406510000999 from National Operator Committee which is indefinite license since 5 September 1997 for sugar dispersion control.
3. Health Hazard Business License (TSGA 1) From the Municipality Poochao samingprai. Registration number at age 1 year 986/2010 from 21 June 2010 - 20 June 2011 for warehouse space exceeds 1,000 square meters.
4. Health Hazard Business License (TSGA 2) From the Municipality Poochao samingprai. Registration number at age 1 year 1190/2010 from 8 October 2010- 7 October 2011 for the apartment of 45 rooms business.

BOI

- None -

4. T S Transport and Logistics Co., Ltd. TSTL company registered no. 0105520002486

The company was registered in 1977 (previous name was Thai Sugar Transportation Co., Ltd. with 5 million baht authorized capital, 50,000 shares at par value 100 baht, only 1.25 million baht paid-up capital. All 5 million baht paid-up capital was completed in year 2007 with 2% of authorized capital was hold by Thai Sugar Terminal (Public) Co., Ltd. In 2008, the Shareholder Extraordinary Meeting 1/ 2008 on dated 11 January 2008 had the consensus to increase the capital to 50 million baht . and transfer the right in the increased shares reservation of the original shareholder to Thai Sugar Terminal (Public) Co., Ltd. in order to invest more in plastic sack and sack weaving factory. At present Thai Sugar Terminal (Public) Co., Ltd. hold 77.44% of authorized capital and plastic sack production start its performance in October 2008 onwards. In the year 2009 capital increase amounting to 30 million baht registered capital of 80 million baht, the Thai Sugar Terminal Public Company Limited holds 85.90 percent

There are various licenses.

1. Factory License from Ministry of Industry : registered no. Jor 3-53(4)-36/51 SorPor which is valid for 5 years from 18 August 2008 – 31 December 2012 for plastic sack production.



2. Irregular Route Transportation by animal or goods loading vehicle from Department of Land Transport; registered no. SorPor. 25/2008 which is valid for 5 years from 6 June 2008- 5 June 2013 for its subsidiary product transportation.
3. Health Hazard Business License From the Municipality Poochao samingprai. Registration number at age 1 year 1151/2010 from 12 July 2010 - 11 July 2011 for the woven bag machines.

BOI

- None -

5. TS oil industry Co., Ltd. (TS OIL) company registered no. 0105526040126

The company was registered in 1983, (previous name was Sugar Silo Warehouse Co., Ltd.) with 30 million baht authorized capital (paid-up authorized capital and Thai Sugar Terminal (Public) Co., Ltd. hold 62.07% share) operates in property development business. It is located at Amphur Sampan, Nakornpathom. Townhouse and commercial building construction for sale. In December 2009 had changed to T.S. Oil Industry Co., Ltd. with 200 million baht authorized capital and renamed TS Oil Industry Co., Ltd by Thai Sugar Terminal Public Co., Ltd. hold 94.31% share to do the palm oil distillation for consumption. It is expected to start its operation in 2nd quarter of year 2009.

There are various licenses.

1. Factory License from the Ministry of Industry ; registered no. 3-7(4)-1/52 SorPor which is valid for 5 years from 8 March 2010 – 31 December 2014 for palm oil distillation and producing plastic bottle for its delivery content.
2. Control Business License 3rd type ; location of fuel storage from Department of Energy Business ; registered no SorPor 001/2010 which is valid for 1 year from 31 January 2010 – 12 January 2011 for gasoline (fuel oil) storage.
3. Health Hazard Business License From the Municipality Poochao samingprai. Registration number at age 1 year 1209/2010 from 30 September 2010 - 29 September 2011 for the engage in the type of vegetable oil, Oil plant.
4. Licensed food. Samut Prakan of Public Health. Registration number 11-2-00653 age 4 years from the date of 31 May 2010 – 31 December 2013 to be allowed to produce food for sale under Section 14 Act. Food Act 1979 and a place to store food. Specified in the permit.
5. Certificate, use the Halal certification. Registration number KorAorTor.HorLor. B536/2010. By the Office of the Central Islamic Committee. In Thailand, aged 1 year from the date of 5 April 2010 – 4 April 2011 to allow the method correctly. Use the principles of Islamic Halal.
6. Kosher Certificate From Thai Kashrut Services Ltd. aged 1 year from the date of 15 March 2010 – 14 March 2012. To be certified to food standards Jews. (Kosher Dietary Law)
7. ISO 22000:2005 From SGS (Thailand) Co., Ltd. Registration number GB10/81733 aged 4 year from the date of 7 November 2010 – 7 November 2013 (Re-cert. Before 15 September 2013) To be certified to standards of food safety. (Food Safety Management System)
8. GMP (Good Manufacturing Practice) From SGS (Thailand) Co., Ltd. Registration number TH10/5339 aged 4 year from the date of 7 November 2010 – 7 November 2013 (Re-cert. Before 15 September 2013) Accreditation criteria for a good method for manufacturing.
9. HACCP (Hazard Analysis and Critical Control Point System) From SGS (Thailand) Co., Ltd. Registration number TH10/5340 aged 4 year from the date of 7 November 2010 – 7 November 2013 (Re-cert. Before 15 September 2013) To be approved Hazard Analysis and Critical Control Point.
10. RSPO Membership (Ordinary type) Member No. 2-0187-10-000-00 From RSPO (Roundtable on Sustainable Palm Oil) from the date of 20 September 2010 – 20 September 2011. To be approved Hazard Analysis and Critical Control Point.
11. Palm Oil Refinery Association Member
12. Palm Oil Relisers Assoiation

BOI Committee Card from BOI Committee ; The investment promotion certificate from Office of the Board of Investment registered no.1657(2)/2009 which is valid for 9 years from 25 August 2009- 24 August 2017 for investment privilege (alien, tax)

**Relationships between customer and the company & its subsidiary** (T S Warehouse Co., Ltd.)

Thai Sugar Terminal Public Company Limited has warehouse service for the goods before loading up to the ocean liner or for internal distribution. With the total space of 124 rai and 98 square wah : there are 3 ports , 27 warehouses,space for 170,000 ton of sack and 2 molasses buckets with 24,000 ton of capacity. The main products that request these services are sugar, molasses, rice, oil, and other agricultural product. It is considered as the biggest warehouse in Samudprakan area.

According to the company core business, the major clients are sugar exporter and sugar factory (sugar pile and sugar pack). Other customer is the warehouse rental customer; they are both importer and exporter of rice, wheat, tapioca flour, lumber, and oil (for consumption and for other purposes). T S Warehouse Co., Ltd. 's major customer is sugar factory that preserve the sugar for export: Thai Sugar Terminal (Public) Co., Ltd. will load the goods while the T S Warehouse Co., Ltd. is the goods preservation.

Each business in the company and its subsidiary is mutually support each other in strategy for the flexible operation and expansion. The management will plan the strategy for each business connection and benefit to gain the most effective outcome. Warehouse business have to concern many limitations, for example the major income must come from goods storage then the subsidiary has to rent the warehouse for goods sack from the mother company because its warehouse was for pile goods. The main revenue of the mother company are goods loading, warehouse rental, port, goods weighing, goods carrier, and others. The network group of companies are operated under mutual benefit , and the law has termed that the committee must hold at least 1/5 of all shares, therefore; the committee in the mother company and its subsidiary almost the same. The subsidiary is automatically controlled by the mother company.

Capital Investment of Subsidiary

As on 31 December 2010

<u>Company</u>	<u>Business</u>	<u>Authorized Capital (million baht)</u>	<u>Paid-up capital</u>	<u>Share (%)</u>	<u>Cost of Capital (million baht)</u>	<u>Capital Value (million baht)</u>	<u>Other Shareholder with more than 10% of of stock</u>
TS Warehouse Co., Ltd.	Warehouse & goods storage	50	12,500,000	64.13	10.073	55.787	Mitr Kaset Industry Co., Ltd. ¹
T S Flourmill Co., Ltd.	Wheat flour factory and property rental	200	200,000,000	98.82	197.794	266.072	-
T S G Asset Co., Ltd.	Property rental and service apartment	50	50,000,000	79.78	40.611	79.383	-
T S Transport and Logistics Co., Ltd.	Plastic sack package, goods transportation ,and security service	80	80,000,000	85.90	68.718	69.796	Khon Khen Sugar Co., Ltd. ²
T S Oil Industry Co., Ltd.	Palm oil distillation	200	200,000,000	94.31	191.346	167.428	-

Subsidiary's Shareholder more than 10% share

1. Mitr Kaset Industry Co., Ltd, sugar factory, is located on 93/1 Moo. 9, Saeng Chu Toh Rd., Don Kamin District, Amphur Tha Maka, Kanchanaburi. There is Mr. Narong Jenlapwattanukul as an director in Mitr Kaset Industry Co., Ltd. and an Executive Director in Thai Sugar Terminal (Public) Co., Ltd. and its subsidiary.

- Share holding 14.15% in T. S. Warehouse Co., Ltd.

2. Khon Kaen Sugar Industry Public Company Limited is located on 9th floor, K.S.L Tower building, no. 503 Sri Ayutthaya Rd., Kwang Praya Thai, Khet Racha Thaevi, Bangkok 10400 and the factory on 43 Moo 19 Numphong-Kanuan Rd., Amphur Numphong, Khon Khen 40140; the sugar factory for export and internal consumption.

- Share holding 10.13% in T.S. Transport and Logistics Co.,Ltd.

Revenue from Profit & Loss Statement

(Unit : Thousand Baht)

Revenue Structure by Business Type	Year 2008		Year 2009		Year 2010	
	Value	%	Value	%	Value	%
Service business						
Loading and service	71,460	4.78	80,162	6.04	58,375	3.18
Preservation & store	61,122	4.09	68,690	5.17	25,440	1.39
Warehouse rent	27,962	1.87	26,150	1.97	21,500	1.17
Service apartment	6,858	0.46	6,193	0.47	7,677	0.42
Total of service business	167,402	11.19	181,195	13.65	112,992	6.16
Business sales						
Business wheat plants	1,214,762	81.21	1,063,197	80.10	898,604	49.02
Palm oil mill business	-	-	-	80.10	780,372	42.57
Plastic bag factory business	-	-	27,753	2.09	21,510	1.17
Total sale revenue	1,214,762	81.21	1,090,950	82.19	1,700,486	92.77
Real estate sales	15,099	1.01	42,770	3.22	2,265	0.12
Other income						
Interest	656	0.04	562	0.04	537	0.03
Money exchange profit	19,037	1.27	1,685	0.13	4,326	0.24
Profit from Investment	63,742	1.27	1,685	0.13	4,326	0.24
Other income	15,073	1.01	10,233	0.77	12,437	0.68
Total other income	98,508	6.59	12,480	0.94	17,300	0.94
Total revenue	1,495,771	100.00	1,327,395	100.00	1,833,043	100.00

NOTE : Item between Organization unit were deducted.

Business Target of the Subsidiary

The management has planned the business development for effective loading and more variety of product loading (not only for raw sugar and white sugar). Moreover; the company has also planned the business development for the subsidiary ;

- T S Flourmill Co., Ltd. , wheat flour factory, operated in 2nd quarter of 2007 with 35% of capacity and increased to full capacity in 2009.
- T S G Asset Co., Ltd.: the 2nd service apartment was built in 2008 and rent out in October 2009.
- T S Transport and Logistics Co., Ltd. : the major customer is the subsidiary wheat transportation. The company also rent the 14th warehouse of Thai Sugar Terminal (Public) Co., Ltd. and adjusted and constructed to be the plastic sack package factory . It was started in October 2008 and expanding production to full capacity in 2009.
- T S Oil Industry Co., Ltd., was constructed in 2009 to be the palm oil distilled factory and due to begin in late as May 2010.

3. Business Operation

3.1 Freight services and services for rent warehouse wharf

Thai Sugar Terminal Public Company Limited performs the transportation and logistics business : goods transfer, harbour, warehouse rental and goods packaging. In 2008-2009 the quantity of pressed cane sugar is 6.929 million ton (lower the quantity in 2008/2009) : 0.258 million ton billion 3.59%. The yield of white sugar, divided into 2.992 million ton of raw sugar of 3.857 million ton of sugar more than 0.08 million ton, is also a by-product of such. Molasses amounting to 2.978 million ton, the company has facilities to provide the following services.

A. Warehouse

Warehouse No.	Space (square meters)	Total space (square meters)
1 – 2	1,650	3,300
3	825	825
4 – 9	1,650	9,900
15	2,194	2,194
16	2,082	2,082
24	2,250	2,250
25 – 26	1,513	3,026
27 – 29	1,800	5,400
30	2,800	2,800
31 – 32	1,500	3,000
33	1,312	1,312
34	1,188	1,188
35 – 36	2,250	4,500
37	1,940	1,940
38	2,000	2,000
39	4,000	4,000
Total : 27 warehouses	Total space	49,717 square meters

NOTE : 1. Warehouse 10th – 13th (4 units) has been rent out to T. S. Flourmill Co., Ltd. (subsidiaries) for wheat flour factory.

2. Warehouse 14th has been rent out to T. S. Transport and Logistics Co., Ltd. (subsidiaries) rent and install equipment to use manufacturing plastic packaging bags.

3. Warehouse 17th – 23rd (6 units) has been rent out to T. S. Oil Industry Co., Ltd (subsidiary) for palm oil distilled and fill-up factory building .

B. Molasses Tank ; there are 2 buckets with 34,000 metric ton capacity, and molasses transfer station with quality analysis lab. The total area is 2,470 square meters. At first the company posses 6 Tanks with 64,000 metric ton and later rent out 3 Tanks with 30,000 ton capacity to T. S. Oil Industry. keep waiting for the refining process and increase to 4 tanks in 2010.

C. Pier ; total 3 ports, total length is 357 meters, space 5,655 square meters (can serve 2 ocean liner with 12,000 ton at the same time)

D. Free space for goods rental ; 8,504 square meters

E. Weighhouse and 2 weight transmission belts ; weigh up to 80 ton in the area of 474 square meters.

F. Truck parking : Area of 9,000 square meters parking for 100 cars.

Amount of service in 2010 and 2009

Service	2010	2009
Warehouse rental space (square metres)	49,717	49,717
Service area (%)	73.68	93.74

NOTE : Warehouse to customer service in 2010 due to lower sugar content to use the service, down from last year.
31.05%

Pile goods warehouse rental space	2010	2009
Storage capacity: service space	165,000	165,000
Product use current average(%)	48.84	69.76

Type and Quantity of Goods

Unit : metric ton

Goods	2010	%	2009	%
Raw Sugar	181,943	34.39	433,858	58.83
White Sugar	196,699	37.18	171,525	23.26
Molasses	110,630	20.91	121,694	16.50
Rice	27,714	5.24	10,000	1.36
Steel	7,177	1.36	-	-
Timber	611	0.11	409	0.05
Oil palm	500	0.09	-	-
Rubber sheet	380	0.07	-	-
Other goods	3,440	0.65	-	-
Total	529,094	100.00	737,486	100.00

Target Customer

The major client are member factory , and the target customer are non-member and independent factory which are located in the proper area for our service in Samudprakan port : that are factory group in northern, north-eastern, middle part nearby the Gulf of Thailand.

For sugar factory in middle part, Rachaburi, Kanchanaburi, will carry the goods through industrial beltway for time & cost saving . Therefore , the company prepared for more quantity of goods(from this effective industrial beltway) by managing for more service efficiency .

To subsidize sugar product (in low season), the company also service for other goods such as corn, wheat, tapioca flour, monosodium glutamate, oil, rolled steel, lumber and other products.

Service and Marketing Policy

1. Good service are fast, convenience, and effectiveness.
2. Enough space and facilities for customer.
3. Look after and store the goods under the customer condition strictly and guard for customer goods.
4. Inform about goods and service to the customer.
5. Prepare customer service system for customer ; effectively respond to the customer complaint.
6. Maintain the machine and space for service at all time.

Quotation Policy

Due to the price of wharf business has been controlled by the Office of the Maritime Promotion Commission, Ministry of Transport and Communications. The company management try to save cost with giving out best service to the customer . The customer will be informed when any condition cannot be done in order to find the resolution together and to prevent the damages.

Industry Competition

At present, warehouse business tend is very well due to the government support and it is expected to grown every year . Anyhow, the main transportation way still be water transportation.

The bigger ocean liner will be requested in order to carry more product (and cost saving)in each trip. However, the middle size and small size of marines are still high quantity. The sugar transportation has been changed (previously the sugar from factory will be preserved in the warehouse for then loading to the marine) ; the container van will fetch the goods from factory and directly send to the port in eastern part . Therefore, there is highly competition for the warehouse in Samudprakan and nearby province, Ang Thong. Nevertheless, the company try to subsidize by other products.

The factor that help the company in this competitive area is good location. The company warehouses are adjacent to Chao Praya River with the effective service and facility management .

In 2009 , there was flood in the middle part ; Ayutthaya, Ang Thong and other nearby provinces; due to the high water level of Chao Praya River. The pile sugar warehouse was effected so the sugar factory in northern and middle part sent more sugar to the company warehouses.

Warehouse for preservation and loading to the ocean liner :

Samudprakan (located on Chao Praya River bank)

1. Thai Sugar Terminal (Public) Co., Ltd.
2. Mitr Phol Warehouse Co., Ltd.
3. Thai Ruam Thun Warehouse Co., Ltd.

Ang Thong (located on Chao Praya River bank)

1. Ruam Kij Ang Thong Warehouse Co., Ltd.
2. Ang Thong Sugar Terminal Co., Ltd.
3. Ang Thong Warehouse Co., Ltd.

Sugar factory in lower north-eastern and eastern who send goods to warehouse in Sri Racha, Chonburi are:

1. Kerry Siam Seaport Co., Ltd.
2. Ao Thai Warehouse Co., Ltd.

Sugar in Ang Thong warehouse, normally be ship to Samudprakan with small boat, the more than 20,000 ton marine will go to Chonburi warehouse.

License, patent, and condition

1. Wharf License (16A, 16B, 16C) from Ministry of Transport and Communications registered no. 005/2010, 006/2010 and 007/2010 which is valid for 1 year from 30 March 2010 – 29 March 2011. the operation must be performed under the conditions :

1. It is prohibited to throw the leftover, trash, waste, filth, contaminated water, oil-contaminated water, bilge water, and chemical to the water and place waste container sporadically in the premises.
2. The company has to prevent the product drop, or dispersion and clean the wharf and ditch consistently in order to prevent blocked trash. "Do not throw the litter " signboard should be pinned for all employee acknowledgements.
3. Carefully sweep of the waste; not sweep the litter into the river.
4. Clean the fat filter pond and contaminated water pond at least twice a month.
5. Make a water quality check at all water ditch point on pH, BOD, Suspended Solid และ Grease Oil and Ammonia- Nitrogen (Nh-N) in every 3 months then report to the Office of Marine Transport, Ministry of Transport and Communications.
6. Follow –up the environment criteria according to the environment effect study report.
7. Abide by other relevant law.



2. Factory License from the Office of Industrial Factory , Ministry of Industry ; registered no. 3-2(5)-1/39 SorPor which is valid for 5 years from 1 January 2011 – 31 December 2015 for molasses preservation loading to the marine.

3. Ocean Wharf License from the Office of Marine Transport, Ministry of Transport and Communications ; registered no. 15/2011 which is valid for 5 years from 18 October 2010 - 17 October 2015 for ocean wharf business with space and facility. The operation must be performed in concerning to the environment with monthly report specify the statics of the marine, goods type, goods quantity. Annual report to specify the warehouse, wharf, tool, and facility condition.

4. License as a health hazard. From the Municipality Poochaosamingprai. Registration number at age 1 year 1052/2010 from the date of 24 August 2010 – 23 August 2011 warehouse space exceeds 1,000 square meters.

BOI

- None –

Undelivered Task

- None -

3.2 Wheat Flour Factory Business of Subsidiary (T.S. Flour Mill Co. Ltd.)

Thai Sugar Terminal Public Company Limited is subsidiary , Thai Sugar Warehouse Co., Ltd., had increased the authorized capital from 10 million to 200 million baht in 2006 then had changed its name to T S Flour Mill Co., Ltd wheat plants to operate and add another 200 million venture capital from 400 million in 2007. The company operated the wheat factory and received the HALAL certificate from Islamic Committee, Samudprakan on dated 5 June 2008 and ISO 22000:2005 /GMP/HACCP certificate from SGS on dated 17 July 2008 and reduce the capital down to 200 million in February 2010 following the month in June 2010 was transformed into a public company, using the word "T S Flour Mill Public Company Limited to prepare the application for registration in Stock Exchange Alternative Investment.

From June 2007 to present, T S Flour Mill Public Company Limited has started the wheat flour production and distribution, the whole wheat grain was imported to mill to flour for the food industrial entrepreneur. The wheat flour has been made to bread, fresh noodle, instant noodle in the food industry and to make bakery, cookie, snack, and many pastry for retail entrepreneur. Moreover, there is wheat bran (by- product material) to sell to animal food industry. The pile-product warehouse business is also performed, as there was the asset from original business.

Distribution Product Type

1. Wheat flour with high protein (13 – 14%) and high gluten for high quality bread.
2. Wheat flour with low protein (7 -9%) for steamed stuff bun, Thai sweetmeat , Thai sponge cake, éclair, moji, jamroll, egg sponge cake.
3. Wheat flour for Chinese and Japanese style noodle.
4. Multi-flour wheat with moderate protein (10-11%) for noodle, deep fried dough stick, Indian food made of flour, cake, cookie, soybean baked cake, egg sponge cake, Thai sponge cake, pancake, waffle , steamed stuff bun, and fried snack.
5. Wheat flour for being ingredient in animal food such as shrimp, fish, and dog.

Distribution Channel

There are 3 channels :

- 1) distributed to the grand industrial factory.
- 2) Distributed to wholesaler or middleman.
- 3) Distributed to retail customers.

3.3 Consumption of palm oil refining business of TS Oil Industry Co., Ltd.(Subsidiaries.)

Nature of Business refining consumption

TS Oil Industry Co., Ltd. is a subsidiary of Thai Sugar Terminal Public Company Limited has increased its registered capital from Baht 30 million to 200 million in the year 2009 to operate. Refining consumption. By being encouraged to invest in the manufacture of pure vegetable oil and / or semi-virgin oil from the Board of Investment (BOI) on 25 August 2009 under the promotion certificate No. 1657 (2) / 2009.

TS Oil Industrial Co., Ltd. began producing oil and palm oil sales types. Under "RACA" from May 2010 onwards by the main raw material used in the production of crude palm oil is in the whole country from the south and east of Thailand. The import is done in case of shortage of local raw materials only. And must be imported through the PWO The Association of refining the allocation of quotas to members in proportion to the amount of product purchased in the country.

Production processes and products are ;

Process	Raw material	Capacity	products are ;
Bleaching and refining	Crude Palm Oil : CPO	400 Ton / Date	RBD Palm Oil : RPO Acid and palm stearin (PFAD) derivative.
Separate eggs	RBD Palm Oil : RPO	300 Ton / Date	Palm oil in processed olefins. And palm stearin stearic Prince (Stearin: RS) is a byproduct

Distribution channels

1. Sector (Industry), such as plant food, animal feed and chemicals, soap, oil, etc..
2. The department store (Modern Trade), such as Big C, Makro etc.
3. Wholesalers (Wholesale) such as Sa Yi Pua Pua etc.
4. The end user (End User) such as restaurants, bakery and hotel etc.

Model packaging distributors

1. liter bottles packing carton (12 bottles per carton).
2. 1 liter bag packing carton (12 bags per carton).
3. bucket with 18 liters and 13.75 liters size.
4. bag in box (Bag in Box) with 18 liters and 13.75 liters size.
5. plastic (Drum) 200 liters.
6. Car size 12-13 ton single tank car and tank trailers Size 26-30 tons.

Standards that have been certified.

1. mark certification ISO 22000: 2005 No. GB10/81733.
2. marker GMP Certification No. TH10/5399.
3. mark HACCP Accreditation No. 10/5340.
4. Halal Certification Mark No.KorAorTor.HorLor. B536/2553 (Muslim standard).
5. Kosher certification mark. (Jewish food standards).

Various risk factors ;

1. The risk of growth of the business.

Economic conditions in the normal course of business of oil consumption growth rate of 7-8 percent average fuel consumption, but also business growth at 1 percent because of population growth rates within countries, as well as changes in consumption behavior of the population such as Fast food, including food. The food is mostly fried coating. So what we will focus on business process is hygienic. And provide benefits to consumers as well as the development of product design. Using modern technology to meet the needs of consumers

2. Risk Material.

Currently, Thailand is a source of raw palm oil was ranked third in the world after Indonesia and Malaysia, with Thailand to produce palm oil for about 2 million tons per year which will become a part of the split ratio of raw material So prepare. The availability and efficiency into operation. It is the management has been carefully screened.

4. Properties Used in the Business Operations

4.1 Main Fixed Assets

No.	Asset (Type / Location)	Area	Type of Ownership	Book Value	Contingent Liability
1	Land and Improvements of the Company and its subsidiaries consist of : - Land of Thai Sugar Terminal Public Company Limited, Poo Jao Saming Prai road, Sam Rong Klang, Phra Pra Daeng, Samut Prakarn - Land of TSG Asset Company Limited, Poo Jao Saming Prai road, Sam Rong Tai, Phra Pra Daeng, Samut Prakarn - Land of T S oil industry Company Limited, Bang Chang, Sam Pran, Nakhon Pathom	124-0-98 (Rai – Ngan – Square Wah) 8,676 (Square Meters) 24.90 (Square Wah)	Owner Owner Owner	634,407,759.66 18,948,000.00 340,740.08	Guarantee the credit received from financial institutions. ^{1/} Guarantee the credit received from financial institutions. ^{2/} -
	Total			653,696,499.74	
2	Building, Construction, and Renovation, namely, commercial building for rent, apartment for rent, port and others Thai Sugar Terminal Public Company Limited T S Warehouse Company Limited T S G Asset Company Limited T S Oil Industry Company Limited T S Flour Mill Public Company Limited T S Transport and Logistics Company Limited		Owner Owner Owner Owner Owner	122,360,171.31 17,110,536.41 69,480,694.06 134,449,828.30 96,935,799.48 7,797,007.43	Guarantee the credit received from financial institutions. ^{1/} - Guarantee the credit received from financial institutions. ^{2/} Guarantee the credit received from financial institutions. ^{6/} Guarantee the credit received from financial institutions. ^{3/} Guarantee the credit received from financial institutions. ^{5/}
	Total			448,134,036.99	



No.	Asset (Type / Location)	Area	Type of Ownership	Book Value	Contingent Liability
3	Machinery, Tools and Equipment				
	Thai Sugar Terminal Public Company Limited		Owner	9,603,307.71	-
	T S Warehouse Company Limited		Owner	8,533,801.56	-
	T S G Asset Company Limited		Owner	5,868,041.93	-
	T S Oil Industry Company Limited		Owner	313,223,991.20	Guarantee the credit received from financial institutions. ^{6/}
	T S Flour Mill Public Company Limited		Owner	246,467,799.65	Guarantee the credit received from financial institutions. ^{4/}
	T S Transport and Logistics Company Limited		Owner	64,512,985.81	Guarantee the credit received from financial institutions. ^{5/}
	Total			648,209,927.86	
4	Furniture and Office Equipment				
	Thai Sugar Terminal Public Company Limited		Owner	796,338.03	-
	T S Warehouse Company Limited		Owner	41,400.71	-
	T S G Asset Company Limited		Owner	46,476.18	-
	T S Oil Industry Company Limited		Owner	3,935,991.71	-
	T S Flour Mill Public Company Limited		Owner	2,149,898.45	-
	T S Transport and Logistics Company Limited		Owner	167,167.06	-
	Total			7,136,615.21	
5	Automobiles				
	Thai Sugar Terminal Public Company Limited		Owner	1,447,494.92	-
	T S Warehouse Company Limited		Owner	429,936.57	-
	T S Flour Mill Public Company Limited		Owner	8,617,382.06	-
	T S Transport and Logistics Company Limited		Owner	1,579,552.00	-
	T S Oil Industry Company Limited		Owner	8,332,635.67	-
	T S G Asset Company Limited		Owner	1.00	-
	Total			20,407,002.22	
	Total			1,783,026,125.00	

^{1/} Land, Title Deed No. 319, 321, 324, 326-7, 329, 358, 360-1, 391, 812, 820, 5568, 6502, 8051, 9081, 21847, 24100, 24811, 26948, 28881-91, 28893-5 and 64261 with warehouse of Thai Sugar Terminal Public Company Limited for guarantee of the credit received from financial institutions of 750 Million Baht

^{2/} Land, Title Deed No. 236400, 236401, 236402 with apartment for rent of TSG Asset Company Limited with the book value of 56,153,875.57 Baht for guarantee of the credit received from financial institutions of 40 Million Baht

^{3/} Factory Building in the wheat flour factory of TS Flour Mill Company Limited for guarantee of the credit received from financial institutions of 65 Million Baht

^{4/} Machinery of TS Flour Mill Company Limited for guarantee of the credit received from financial institutions of 385 Million Baht

^{5/} Factory Building in the plastic sack factory and machinery of TS Transport and Logistics Company Limited for guarantee of the credit received from financial institutions of 85 Million Baht

^{6/} The 46 million baht credit limit and 327 million baht for palm oil machines from a financial institute had been guaranteed by T S Oil Industry Co., Ltd.'s building.

**4.2 Assets that are not used for Business Operations**

As of 31 December 2010, the company had the assets that are not used for business operations with net book value of 5,442,042.98 Baht. They are the wheat flour factory building for future business expansion.

5. Legal Dispute

Thai Sugar Terminal Public Company Limited and its subsidiaries have had no legal disputes that may impact the properties or performance of business operations.

6. Capital Structure**Registered Capital**

Consists of common shares of 132,000,000 shares with the value of 1 Baht per share and the total amount of 132,000,000 Baht.

Paid-Up Capital

Consists of common shares of 131,999,970 shares with the value of 1 Baht per share and the total amount of 131,999,970 Baht.

Note according to the consensus of the Annual General Meeting of Shareholder 1/2009 on dated 30 April 2009; the members had approved to yield dividend stock at the ratio 10 :1 (stock fraction will be excided). The company had been approved to increased the authorized capital ; 120 million baht (common stock 120 million stock with 1 baht par value); for 12 million baht (12 million new common stock) for dividend stock. when calculated there were 30 stock fraction; therefore, the company had decided to reserved the right of all shareholder, the paid- in common stock was 131,999,970 stock with 1 baht par value, or equal to 131,999,970 baht.

Company's Contingencies Regarding the Issuance of Shares in the Future

- None-

Dividend Payment Policy**Dividend Payment Policy of Thai Sugar Terminal Public Company Limited**

The company has the policy to pay the dividend at the rate of at least 50% of the net profit after corporate tax and legal reserve. If there are no other necessary causes and such dividend payment does not impact the operations of the company and its subsidiaries. Such dividend payment shall consider various factors such as performance, financial status, liquidity, and business expansion plan, etc.

When the Board of Directors had the resolution to approve the annual dividend payment, it shall be approved by the shareholders' meeting, except the payment of interim dividend since such interim dividend payment shall be approved by the Board of Directors and shall report to the next shareholders' meeting.

History of Dividend Payment

Thai Sugar Terminal Public Company Limited					
Date of Dividend Payment	Annual Performance	Net Profit (Baht)	Earnings per Share (Baht)	Dividend Payment Rate	Amount (Baht)
28 May 2009	2008	98,637,743	0.75	Stock Dividend of 10:1	12 million Baht
2010	2009	66,119,508	0.50	0	0

In 2009, Increase its investment in shares of TS Transport and Logistics Co., Ltd. with 30 million registered capital of 80 million baht, the company holds at 85.90 to install the machines more business, factory woven sacks. Plastic packaging and



investment in the shares of T S Oil Industries Co.,Ltd. amounting to 170 million baht registered capital of 200 million to operate the factory. Refined palm oil. The company holds 94.31 per cent.

Though Thai Sugar Terminal Public Company Limited. has in subsidiary expansion but the Board of Director is also concerned about the profit & right of the shareholder then approved in the Shareholder Meeting to yield dividend stock to the shareholder 10 :1 and increased the capital by issue 12 million stock for dividend stock. Therefore, the authorized capital was up to 132 million baht.

For the year 2010 the company also needed additional working capital the Board of Directors has proposed that the shareholders' meeting. Approval of Dividend Payment for the fiscal year 2009.

Dividend Payment Policy of Subsidiaries

For the dividend payment of subsidiaries, each subsidiary has to consider the dividend payment when such company (subsidiary) has moderate profit and does not pay the dividend in case of losses. In additions, the dividend payment is considered from the remaining cash flow compared with the investment budget of such subsidiary. If the remaining cash flow of the subsidiary is sufficient and the subsidiary has already set the legal reserve, such subsidiary shall consider the dividend payment on a case-by-case basis.

The dividend payment of subsidiaries to the company shall be in accordance with the company's regulation Re : Dividend Payment and shall be approved by the shareholders' meeting. The payment can be done on a case-by-case basis when the company can generate profits, but in case that the company faces losses, the dividend payment shall be prohibited until the company's situation has been resolved. In additions, before paying dividend, shall allocate the legal reserve of at least 20% of the profit until the amount of such reserve is at least 10% of the company's registered capital.

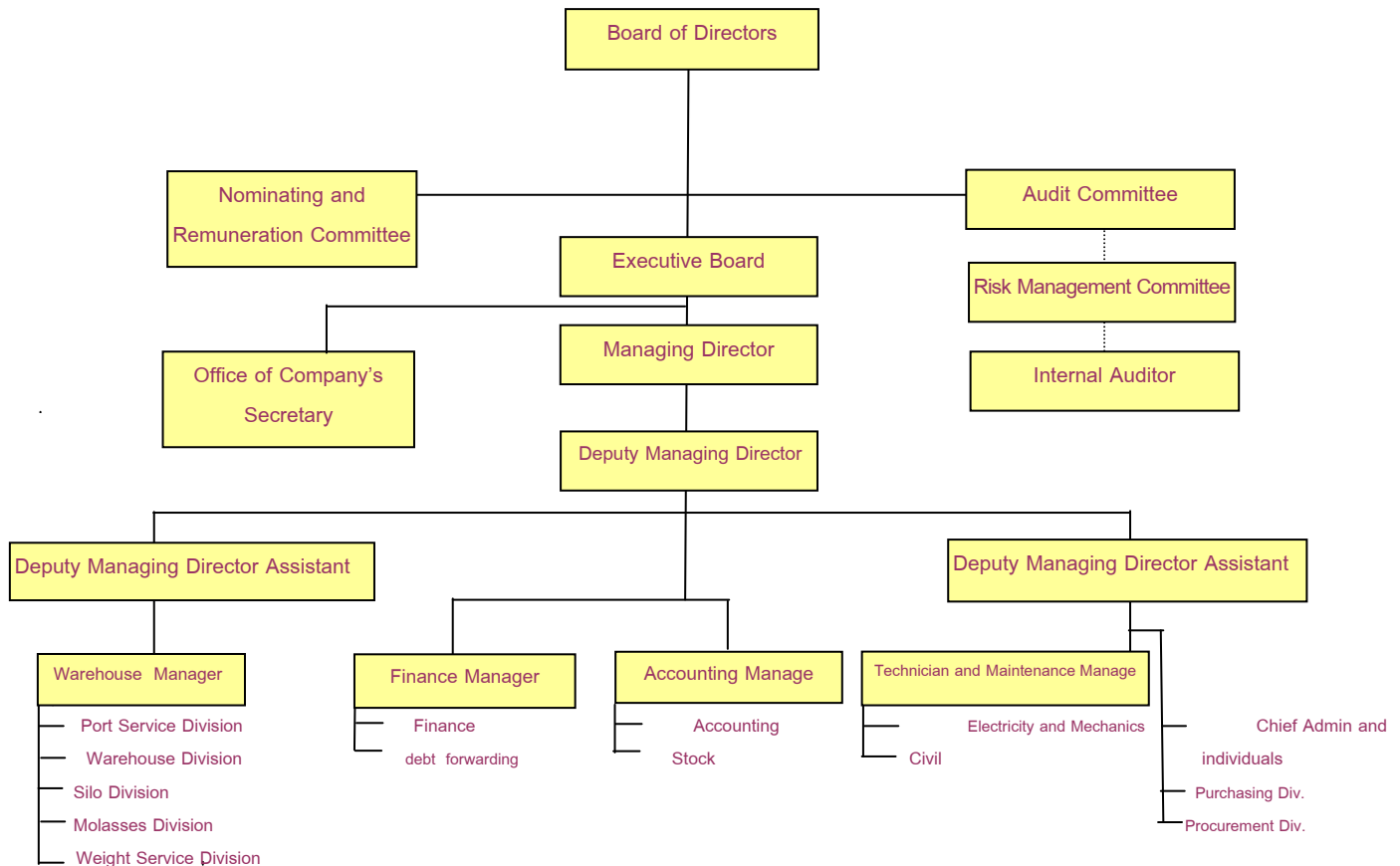
Major Shareholders during the past years ended on 31 December 2010 and 2009

No.	Name of Shareholders	2010		Name of Shareholders	2009	
		Number of Shares	%		Number of Shares	%
1	Khon Kaen Sugar Industry Pcl.,Ltd.	31,439,760	23.82	Khon Kaen Sugar Industry Pcl.,Ltd.	31,439,760	23.82
2	Mr.Chanachai Chutimavoraphand	27,487,680	20.82	Mr.Chanachai Chutimavoraphand	18,709,680	14.17
3	Prachuab Industry Co., Ltd.	12,826,440	9.72	Prachuab Industry Co., Ltd.	11,932,440	9.04
4	Miss Yaowanuch Chutimavoraphand	10,661,380	8.08	Miss Yaowanuch Chutimavoraphand	10,661,380	8.08
5	Ratchaburi Sugar Co.Ltd.	5,544,000	4.20	Mrs. Panida Dhebhajana	8,778,000	6.65
6	Mitr kasetr Co., Ltd.	5,518,999	4.18	Ratchaburi Sugar Co.Ltd.	5,544,000	4.20
7	Miss Yaowaluck Chutimavoraphand	4,668,690	3.54	Mitr kasetr Co., Ltd.	5,518,999	4.18
8	Mrs. Boonprom Chinbhilas	2,349,600	1.78	Miss Yaowaluck Chutimavoraphand	4,668,690	3.54
9	Mr.Wichai Chinthammit	2,000,000	1.52	Mrs. Boonprom Chinbhilas	2,349,600	1.78
10	Mr.Weerakit Wongwattanasin	1,320,000	1.00	Mr.Wichai Chinthammit	2,000,000	1.52
11	Other shareholders	28,183,421	21.34	Other shareholders	30,397,421	23.03
	Total	131,999,970	100.00	Total	131,999,970	100.00

7. Management

The company management structure is consist of Board of Director, with 4 particular assistant groups : Board of Directors , Audit Committee, Nominating and Remuneration Committee, and Risk Management Committee and Executive Committee under the control of Managing Director as the top executive. The details are as followings:

7.1 Management Structure



7.2 Board of Directors and Sub-Committees

7.2.1 Board of Directors : Thai Sugar Terminal Public Company Limited according to the Memorandum of Association of Ministry of Commerce on 7 January 2010. It consists of 16 members as follows.

- 6 Executive Directors
- 5 Non-executive Directors
- 5 Independent Directors

Names of Board of Directors of Thai Sugar Terminal Public Company Limited Include :

No.	Name of Board of Directors	Position	Period
1	Mr. Pricha Attavipach	Chairman and Independent Director	April 2008 – April 2011
2	Mr.Prapas Chutimavoraphand	Managing Director and Chairman of Executive Board	April 2009 – April 2012
3	Mr.Pong Chinthammit	Deputy Managing Director and Vice Chairman of Executive Board	April 2010 – April 2013
4	Mr.Chanachai Chutimavoraphand	Executive Director	April 2009 – April 2012
5	Mr.Narong Chenlarpwatanakul	Executive Board	April 2008 – April 2011
6	Mr.Chadej Insawang	Chairman of Audit Committee and Independent Director	April 2010 – April 2013
7	Mr.Suang Ruangsook	Member of Audit Committee and Independent Director	April 2010 – April 2013
8	Mr.Nisakorn Parkpean	Member of Audit Committee and Independent Director	April 2010 – April 2013
9	Mr. Win Chinthammit	Director	April 2008 – April 2011
10	Mr.Chalush Chinthammit	Director	July 2010 – April 2013
11	Mr.Somchai Chinthammit	Director	April 2008 – April 2011
12	Mr.Dhanadol Sujiphinyo	Director	April 2008 – April 2011
13	Miss Jutatip Arunanondchai	Independent Director	December 2008 – April 2011
14	Dr. Suphsorn Chayovan	Director	April 2009 – April 2012
15	Dr. Chamkrij Dejvitak	Director	April 2009 – April 2012
16	Miss Yaowalak Chutimavoraphand	Director	May 2010 – April 2012

Note : 1. The annual ordinary shareholders' meeting No. 1/2010 on 29 April 2010 had the resolution to appoint the directors who are due to retirement to be re-selected for another term as follows :

1. Mr.Pong Chinthammit
2. Mr.Chalush Chinthammit
3. Mr.Chadej Insawang
4. Mr.Nisakorn Parkpean
5. Mr.Suang Ruangsook

2. The Board of Directors No. 5/2010 on 28 May 2010 The appointment of directors
1 members of the directors who resigned were replaced :

Miss Yaowalak Chutimavoraphand represent
Mr.Pariwat Karnchanatana who resigned

Independent Directors

The company provides the definition of "independent director" according to the good corporate governance principle stipulated by the Stock Exchange of Thailand Re: The Structure of Board of Directors to Foster the Company's Good Corporate Governance, and the guideline of the Securities and Exchange Commission in order to generate the confidence among investors and to balance the good management. The company identifies the word "independent director" to be the director who is not responsible for the management of the company, subsidiary, associated company, and the director who is independent from the management and authorized shareholders, and such person shall have no business relationship with the company that may impede the freedom of opinions. The company also identifies the qualification of "independent director" according to the new criteria stipulated by the Securities and Exchange Commission as follows :-

1. Shall be the person who holds the shares of no more than 1% of the number of shares eligible to vote in the company, subsidiary, and associated company.
2. Shall not participate in the management, shall not be the employees, workers, full-time advisors, or shall not be the authorized officers of the company, subsidiary, associated company, or shall not be the persons who may have conflict of interest as mentioned above.

3. Shall have no business relationship or not be professional service providers, or auditors that may impede the performance of being the “director”, and shall have no direct or indirect conflict of interest in terms of the finance and management of the company, subsidiary, associate company or persons who may have conflict of interest that may impede the independence when performing the duties.
4. Shall not be close relatives or shall not have other relationship that may impede the independence when performing the duties with high-ranking executives, major shareholders of the company, subsidiary, associated company or persons who may have conflict of interest and shall not be appointed to be the representatives of the directors or major shareholders.

Combining or Separating the Positions

The Chairman shall be the independent director who is not the same person as the Chairman of Executive Board, and shall not be the employees or managers of the company. The Board of Directors shall appoint the knowledgeable, proficient, and experienced directors, who are the independent directors, to act as the Chairman responsible for the implementation of specific issues.

Upon accepting the positions as directors and / or independent directors of the company, each director shall obtain the important information about the company and shall realize the regulations mentioning the scope, duties, and responsibilities of the Board of Directors. Such persons shall obtain the recommendations about the laws, rules, and conditions about holding the “director” position in the registered company in the Stock Exchange of Thailand and shall understand the company’s businesses.

The company shall provide the new directors with orientation by attending the training program provided by the Thai Institute of Directors in order to realize the following information.

- (1) Importance of Directors
- (2) Roles of Directors according to Good Corporate Governance principles.
- (3) Duties and Responsibilities of the Directors according to the Law
- (4) Guidelines for Directors to Follow the Law and guideline of the Stock exchange of Thailand and Securities and Exchange Commission.

For the new directors who hold the positions in the Board of Directors, the company shall provide the documents for new directors in order to realize the business policies and the relevant information such as capital structure, shareholders, performance, including the laws and rules, and shall submit the directors’ manual, which is beneficial for the directors of the company, to the directors. The directors’ manual shall consist of :-

1. Public Company Act B.E.2551 (adjusted copy)
2. Guideline for Being the Directors of Registered Companies
3. Business Ethics
4. Memorandum of Association, Objective, and Regulation
5. SEC’s Manuals for Directors of the Registered Companies
6. Related Transactions of Registered Companies
7. Principle of Good Corporate Governance of Registered Companies in 2006
8. Report of the Disclosure of Annual Company’s Information (Latest Version)

The company will arrange the Committee Training by Thai Institute of Directors (IOD) to the committee who has not yet been trained.

Holding Securities of Directors as of 31 December 2010 compared with as of 2009

No.	Name of Directors	Number of Shares (Shares)		Number of Shares Increased (Decreased) during the Year	% of Shares Eligible to Vote
		31 December 2010	31 December 2009		
1	Mr. Pricha Attavipach*	-	-	0	0.00
2	Mr.Prapas Chutimavoraphand	430,399	391,272	39,127	0.33
3	Mr.Pong Chinthammit	-	-	0	0.00
4	Mr.Chanachai Chutimavoraphand	28,873,680	18,709,680	10,164,000	21.87
5	Mr.Narong Chenlarpwatanakul	-	-	0	0.00
6	Mr.Chadej Insawang	-	-	0	0.00
7	Mr.Suang Ruangsook*	271,920	271,920	0	0.21
8	Mr.Nisakorn Parkpean*	178,200	178,200	0	0.14
9	Mr.Win Chinthammit	307,099	307,099	0	0.23
10	Mr.Chalush Chinthammit	66,000	60,000	6,000	0.05
11	Mr.Somchai Chinthammit	221,490	92,400	123,090	0.17
12	Mr.Dhanadol Sujiphinyo	1,320,000	1,327,370	(7,370)	1.00
13	Miss Jutatip Arunanondchai*	52,800	52,800	0	0.04
14	Dr. Suphsorn Chayowan	-	-	0	0.00
15	Dr. Charnkrij Dejvitak	-	-	0	0.00
16	Miss Yaowalak Chutimavoraphand	-	-	0	0.00

Note 1. * refers to independent committee

The company identifies the authorized directors as follows :-

1. Mr.Prapas Chutimavoraphand
2. Mr.Chanachai Chutimavoraphand
3. Mr.Pong Chinthammit
4. Mr.Narong Chenlarpwatanakul
5. Mr.Win Chinthammit
6. Mr.Charnkrij Dejvitak

Two of the six directors who share this sign and seal of the company

Authority of Board of Directors

1. The Board of Directors shall be authorized to take care of and manage the company in accordance with the law, objectives, and regulations of the company, including the legitimate resolution of the shareholders' meeting with honesty, integrity, and caution.
2. The Board of Directors shall be authorized to appoint any members in the Board of Directors to be the Chairman and shall appoint the Vice Chairman deemed as appropriate.
3. The Board of Directors shall be authorized to appoint the Managing Director and Senior Executive Vice President deemed as appropriate.
4. The Board of Directors shall be authorized to appoint the Executive Board consisting of the Managing Director, Senior Executive Vice President, and a group of directors to be responsible for managing and operating the company as stipulated by the Board of Directors. The Managing Director shall also act as the Chairman of Executive Board.
5. The Board of Directors shall be authorized to appoint a group of directors to be the steering committee responsible for studying and considering various issues and / or recruiting and selecting deemed as appropriate.

Roles, Duties, and Responsibilities of the Board of Directors

1. Take care of and manage the company in accordance with the law, objectives, and regulations of the company, including the resolution of the shareholders' meeting with honesty, integrity, and caution.
2. Identify the policies and direction of the company's operations, and monitor and supervise the management to efficiently and effectively perform according to the policies in order to foster the economic value for the businesses and generate the satisfactory rate of return for shareholders.
3. Control, monitor, and supervise the management of the Executive Board in accordance with the policies, except the following issues that shall be approved by the shareholders before implementation.
 - 3.1 Issues identified by the law that shall receive the resolution from shareholders, meeting.
 - 3.2 Related transactions with the value exceeding 3% of the net tangible assets according to the latest consolidated financial statement
 - 3.3 The acquisition or sale of properties with the value exceeding 50% of the total assets according to the latest consolidated financial statement.

The following cases shall be approved by the Board of Directors' meeting and shareholders' meeting with the vote of at least three-fourths of all the votes from the shareholders who attend the meeting and are eligible to vote.

- (A) The sale or transfer of the whole or partial company's business.
 - (B) The purchase or acceptance of other company's business or private companies.
 - (C) The preparation, amendment, or revocation of contract regarding the lease of the whole or partial company's business or the assignment of others to manage the company's business or the merger of the company's businesses with others due to the objective of sharing profits and losses.
 - (D) The amendment of memorandum or article of association
 - (E) The increase or decrease of capital, the issuance of bonds, the merger or the dissolution of company
 - (F) Any actions that the Securities and Exchange Act or the Notification of Stock Exchange of Thailand specify that such actions shall be approved by the shareholders' meeting such as the acquisition or sale of assets of the registered companies or related transactions.
4. Consider and Approve the human resource management policies and executive development plan, including the identification of compensation. Recruit, select, and identify the successor of high-ranking executives and evaluate the performance of Managing Director, and ensure that the company has an effective processes in evaluating the performance of high-ranking executives.
 5. Ensure that the company's internal auditors and external audits perform their duties effectively.
 6. Approve the periodic, quarterly, and yearly financial statement and ensure that the financial statement is prepared according to the generally accepted accounting principles.
 7. Arrange the meeting once a month and / or in case that there are some issues that shall be urgently proposed to the Board for consideration, shall be able to arrange additional meeting deemed as appropriate.
 - Identify the important meeting agendas in advance throughout the year such as the agenda for certification, acknowledgement, consideration, or other agendas.
 - Consider various meeting agendas based on the benefits of shareholders and relevant parties.
 - Express the opinions freely.
 - Identify sufficient amount of time for considering each agenda, for discussing and expressing the opinions.
 - The Chairman shall control the meeting time properly.
 8. Be responsible for the shareholders by providing the communication channels with the company's shareholders or stakeholders.
 9. Have intention, honesty and integrity for business conduct.
 10. The directors may seek experts from several areas for accurate decisions.
 11. The directors shall be knowledgeable, proficient, and experienced in the business operations, shall pay attention to the business of the company they acts as the director.



12. The Board of Directors shall arrange the shareholders' meeting to be the annual ordinary shareholders' meeting within 4 months from the date of closing the account at the end of the previous year. Other meetings shall be called extraordinary meeting. The Board of Directors is able to arrange the extraordinary meeting at any time deemed as appropriate.
13. The Board of Directors shall provide the balance sheet and income statement on the ending date of the company and propose to the shareholders' meeting in the annual ordinary shareholders' meeting for approval, and the Board of Directors shall provide the auditors to audit such balance sheet and income statement before proposing to the shareholders' meeting.

Directors' Term in Office

The company's directors shall be appointed to be in the 3 year term so they can continuously work in the position for the company. The term can be changed according to the resolution from the Board of Directors. In case that the directors are due to retirement, the Board of Directors' meeting shall consider the performance of such directors who are due to retirement to recognize whether such directors dedicate their time to performing their roles and duties at their full potential or not. When the Board of Directors considers that such directors are proper, they shall appoint such directors who are due to retirement to be re-selected for another term and shall propose to the shareholders' meeting for approval. If any directors aim to resign from being the company's directors before the expiration of the term of office, they shall inform the intention in writing to the Board of Directors.

Regarding the identification of the number of years that each director can continuously hold the "director" position for the company, the Board of Directors believe that although the company's business operations are in service businesses, the main customers are customers in sugar industry that relates to several government agencies, farmers, and others; so, persons who hold the director position shall be knowledgeable, proficient, and experienced in the sugar business. Hence, the company has not yet identified the term of office that each director can continuously hold the "director" position. But, we the knowledge and abilities, including the suitability of each director whether they can be re-selected for another term or not.

Directors' Meeting

The company identifies the Board of Directors' meeting in advance throughout the year. Normally, the meeting is held once a month, and the special meetings shall be held deemed as appropriate so the company's directors acknowledge and allocate the time for attending the special meeting as necessary. The Chairman and Managing Director shall identify the agenda from issues following the previous meetings, issues for acknowledgement, and issues for consideration. They shall provide the accurate and sufficient meeting documents and send to the Board of Directors in advance of the meeting so the Board of directors have sufficient information and / or are able to inquire from the authorized persons before attending the meeting. Each meeting shall take 2-3 hours and in each meeting, every director shall be able to express the opinions freely. The meeting shall be recorded in writing and shall stored the previous meeting minutes certified by the Board of Directors so the directors and relevant parties are able to audit and use as references.

In the directors' meeting, if there are any issues related to the transactions that may have conflict of interests with directors or executives, the directors or executives who have conflict of interest shall not attend the meeting in such issues.

In 2010, the Board of Directors held 12 meetings with the following details of each director.

Directors' Meeting in 2010

Name of Directors	number of times in meeting attendance/ number of total meetings	Note
Mr. Pricha Attavipach1	12/12	-
Mr.Prapas Chutimavoraphand	12/12	-
Mr.Pong Chinthammit	12/12	-
Mr.Chanachai Chutimavoraphand	11/12	-
Mr.Narong Chenlarwatanakul	12/12	-
Mr.Chadej Insawang	10/12	-
Mr.Suang Ruangsook	12/12	-
Mr.Nisakorn Parkpean	12/12	-
Mr. Win Chinthammit	11/12	-
Mr.Chalush Chinthammit	10/12	-
Mr.Somchai Chinthammit	11/12	-
Mr.Dhanadol Sujiphinyo	12/12	-
Miss Jutatip Arunanondchai	11/12	-
Dr. Suphsorn Chayowan	12/12	-
Dr. Charnkrij Dejvitak	12/12	-
Mr. Pariwat Karnchanatana	4/4	Resigned as director on May 28, 2010
Miss Yaowalak Chutimavoraphand	5/8	To become directors on May 28, 2010. Directors to replace those who resigned

Meetings of Sub-Committee whose Members are Non-executive Directors Most of the meetings are the discussion and meeting about the company's business among the directors so the invitation letter and the meeting minutes have not prepared in advance. The non-executive directors shall discuss about the issues in each meeting. For the meetings among the sub-committee whose members are independent directors, namely, Audit Committee, Nominating and Remuneration Committee, etc. the invitation letter has been prepared, and the meeting minutes are also prepared and proposed with the opinions as an enclosure of each meeting.

Appointment and Demotion of Directors

The appointment and demotion of directors shall be summarized as follows :

- The company's directors are appointed by the shareholders' meeting. The company shall have at least 5 directors and at least half of them shall live in the Kingdom of Thailand and shall have at least 3 independent directors. Currently, the company has 6 independent directors from the total of 16 directors. Every independent director has the qualifications as stipulated by the laws and regulations.
- The shareholders' meeting shall elect the directors who have proper qualifications according to the following criteria.
 - (1) One shareholder shall have the vote equivalent to the number of shares held.
 - (2) Each shareholder shall use all the votes according to (1) to elect one person or several persons to be the directors but they cannot give different votes for each director.
 - (3) The persons receiving the highest number of votes in a descending order are the elected directors in the same number as that of directors that should be available or elected on that occasion.
 - (4) In the case that persons elected in the descending order have equal votes, exceeding the number of directors that should be available or elected on that occasion, the Chairman shall use the casting.
- In every annual ordinary shareholders' meeting, one-third of the directors shall resign from the position. If the number of directors cannot be divided into one-third, the number of directors who resign from the position shall be closest to the number of one-third directors. The directors who shall resign from the position in the first and second year after the company's registration shall be the directors from drawing the lots. For the third year and after, the directors who hold the position for the longest period shall resign from the position.



4. In addition to the directors who are due to retirement, the directors shall be out of the position when :

- (1) Death
- (2) Resignation
- (3) Lack of qualifications or have the prohibited qualifications according to section 68 of the Public Company Act B.E.2535.
- (4) The shareholders' meeting has the resolution to discharge the directors
- (5) The court orders to discharge the directors.

5. Any directors who would like to resign from the position shall submit the resignation form to the company. The resignation shall be effective from the resignation date.

6. In case that any vacancy occurs for any reasons other than by the retirement of the directors, the Board of Directors shall elect a person who possesses qualification and is not disqualified under section 68 of the Public Company Limited act of 1992 as considered and proposed by the Nominating Committee to the Board of Directors' meeting to fill in such vacancy and be the director in the next meeting of the board of directors; except that the remaining term of the directors is less than 2 months, the persons who are the new directors shall be in position for the remaining terms of the directors who are out of the position.

A resolution of the Board of Directors shall be supported by not less than three-fourths of remaining directors' votes.

7. The shareholders' meeting may vote any directors to be out of the positions before the retirement with the vote of at least three-fourths of number of shareholders who attend the meeting and are eligible to vote and have the total shares of at least 50% of the number of shares held by the shareholders who attend the meeting and eligible to vote.

8. The directors do not have to be the company's shareholders.

Authority of Managing Directors shall be as follows :-

The managing director shall have authority and duties regarding the management of the company as assigned by the directors and shall manage the company according to the plan or budget as approved by the Board of Directors with honesty, integrity, and caution. The managing director shall maintain the benefits of the company and shareholders as best as he / she can. The authority of managing director shall include the following :-

- Conduct activities and / or manage the daily activities of the company.
- Manage the company's business according to the objective, regulation, policy, rule, requirement, order, and resolution of the Board of Directors and / or shareholders' meeting.
- Be the authorized person to command, contact, direct, operate, or sign the legal documents, orders, or letters used for contacting with the government agencies, state enterprises, and other persons, and perform any actions as necessary and appropriate.
- Be the authorized persons who can command the employees and workers in every position. Place, appoint, demote, promote, or cut the salaries or ages, offer disciplinary punishment, and discharge employees according to the rules, requirement, or orders stipulated by the Board of Directors, but in case that such employees or workers are advisor, executive vice president, or equivalent, such employees shall be approved by the Board of Directors and shall be authorized to identify the work conditions for employees and workers and issue the company's work procedures that do not contradict with the rules, requirements or orders stipulated by the Board of Directors.
- Be authorized to assign others to perform some specific actions by granting the power of attorney. The assignment shall be under the scope of rules, requirements, or orders stipulated by the Board of Directors and / or company.

If the managing director has conflicts of interest or may have conflicts of interest with the company regarding such authority, the managing director shall not be authorized to take the abovementioned actions.

7.2.2 Audit Committee

The Board of Directors shall approve the appointment of Audit Committee on 15 December 1999 by appointing from at least 3 independent directors who have the qualifications as stipulated by the Securities and Exchange laws and at least one of them shall have expertise in accounting and finance. Currently, there are 3 members of Audit Committee and every member is independent director as follows :

As of 31 December 2010

Name - Surname	Position	
1. Mr.Chadej Insawang	Chairman	Independent Director who is a legal expert.
2. Mr.Nisakorn Parkpean	Member	Independent Director who is an accounting expert.
3. Mr.Suang Ruangsook	Member	Independent Director

Mrs. Arunee Trithepratima, secretary of the company, acts as the secretary of Audit Committee.

The current Audit Committee has 3-year term from 30 April 2010 to April 2013.

Duties and Responsibilities of Audit Committee

1. Audit the company to ensure that the company has accurate and sufficient financial statement.
2. Audit the company to ensure the internal control and internal audit to be in accordance with the proper criteria and objectives.
3. Audit the company to follow the Securities and Exchange laws, requirements of the Stock Exchange of Thailand or other laws related to the company's businesses.
4. Consider, select, appoint the company's internal and external auditors, and propose the fees for such persons.
5. Consider the related transactions or transactions that may lead to conflicts of interest in order to ensure the accuracy, and sufficiency, and be in accordance with the criteria stipulated by the Stock Exchange of Thailand.
6. Prepare the good governance report of the Audit Committee by disclosing on the company's annual report and such report shall be signed by the Chairman of Audit Committee.
7. Perform other actions as assigned by the Board of Directors and with approval from Audit Committee

In the event that the Audit Committee be informed if the auditor found that circumstance, Managing Director. Or the person responsible for the operation of the company commits an offense under the Securities Exchange Act Section 281 / 2, paragraph two, Section 305 Section 306 Section 308 Section 309 Section 310 Section 311 Section 312 or Section 313, the Board of Audit to investigate and report Preliminary results of the audit. The Office of the Securities and Exchange Commission and the auditor within 30 days from the date of receipt of notice from the auditor.

In performing the duties of the Audit Committee. If you see or have any questions or action items that have the following. This may have a significant impact on the financial position and results of operations of the company. The Audit Committee reports to the Board of Directors for the necessary amendments within the time of the Audit Committee deems appropriate.

- (1) a list of conflicts of interest.
- (2) fraud or there is something wrong or have a significant deficiency in internal control systems.
- (3) violations of the Securities and Exchange Commission. Terms of the stock. Or laws relating to its business.

If the Board of Directors or the Management Committee fails to make modifications to improve within the time prescribed by the Board of Audit. Any committee member may report that there is one item, or to such action to the Office of the Securities and Exchange Commission or stock.

In case that the members of Audit Committee are out of the position before the expiration date, the company shall inform the reason and / or the members are able to inform the reasons to the Stock Exchange of Thailand and Securities and exchange Commission.

The Audit Committee shall arrange the meeting every quarter and shall report to the Board of Directors. The external auditors, internal auditors, and executives of accounting department shall participate in the meeting to audit the financial statement every quarter, audit the annual financial statement, examine the internal control system, and propose any issues related to the good corporate governance to the Board of Directors so the company is able to follow the principle of good corporate governance and code of conduct.

In 2010 the Audit Committee has met six times to oversee the operation on behalf of the Board of Directors. The roles and responsibilities defined in the Rules Committee

Number of Audit committee's Meetings in 2010 shall be as follows :-

Name of Directors	number of times in meeting attendance/ number of total meetings	Term of office
Mr.Chadej Insawang	6 / 6	April 2010 - April 2013
Mr.Suang Ruangsook	6 / 6	April 2010 - April 2013
Mr.Nisakorn Parkpean	6 / 6	April 2010 - April 2013

Term of Inspection Committee

Inspection Committee's term is 3 years, the occupation or termination of each term will be in April in order to accomplish the inspection of the financial statement and operation performance then will appoint for the next committee. Furthermore the directors of the term may be selected to return to the position. The Nominating Committee and Compensation Committee will consider and recommend to the board to appoint the next.

The Audit Committee performed the following actions :-

- Review the compliance with the laws related to the company's business operations, the compliance with the rules of Stock Exchange of Thailand and consider the audit report by meeting with the executives and internal auditors.
- Monitor closely regarding the related transactions in order to ensure the transparency and sufficient disclosure of information.
- Review the internal control system with the internal auditors in order to evaluate the effectiveness and sufficiency of the internal control system and the IT security system. The Audit Committee shall follow the internal control operations closely and discuss the importance of defects in the internal control system and shall consider the suitability of annual internal audit plan.
- Every quarter, the Audit Committee shall review the financial report by meeting with the finance executives and external auditors to consider the remarks and report to the Board of Directors for acknowledgement, for taking actions, or for planning or identifying policies in accordance with the business operations.

In the previous year, the Audit Committee reviewed every aspect of the company's operations and considered the issues with accounting executives, internal auditors, and external auditors. The Audit Committee expressed the opinions freely and provide recommendations and believed that the process of the preparation of company's financial statement was proper and sufficient, and the company's financial statement was prepared according to the generally accepted accounting principles, and was recorded on the meeting minute to propose to the Board of Directors for acknowledgement and the errors or defects that may be significant or may impact the company's business operations were corrected.

In February 2011, the Inspection Committee had examined the auditor performance of year 2010 and proposed the auditor from Sam Nak Ngan A.M.C. Co., Ltd. Is the annual audit of the Company and its subsidiaries as followings :

Thai Sugar Terminal (Public) Co., Ltd.

- | | |
|---------------------------|--------------|
| - Ms. Prapasri Leelasupha | CPA No. 4664 |
| - Ms. Sansanee Poolsawad | CPA No. 6977 |

T S Flour Mill Co., Ltd.

- | | |
|---------------------------|--------------|
| - Ms. Prapasri Leelasupha | CPA No. 4664 |
|---------------------------|--------------|

T S G Asset Co., Ltd.

- | | |
|---------------------------|--------------|
| - Ms. Parinda Nganprasert | CPA No. 5123 |
|---------------------------|--------------|

T S Oil Industry Co., Ltd.

- | | |
|----------------------|--------------|
| - Ms. Wannee Sukpeng | CPA No. 5123 |
|----------------------|--------------|

T S Transport and Logistics Co., Ltd.

- | | |
|--------------------------|--------------|
| - Ms. Sansanee Poolsawad | CPA No. 6977 |
|--------------------------|--------------|

T S Warehouse Co., Ltd. In

- | | |
|---------------------------|--------------|
| - Ms. Parinda Nganprasert | CPA No. 5123 |
|---------------------------|--------------|

To propose to the Board of Directors for consideration and on the Board of Directors approved a resolution proposed to the shareholders' meeting to approve the appointment and Ms. Waladee Sriboonruang from IVL Accounting Co., Ltd. The internal auditors of the Company to the 2010 annual meeting of the Board of Directors.

7.2.3 Nominating and Remuneration Committee

The Nominating and remuneration committee has been appointed by the Board of Directors' meeting No. 2/2007 on 28 February 2007 to recruit and nominate the knowledgeable, proficient, and experienced persons to be the company's directors and to propose the remuneration policies for executives to the Board of directors for consideration.

The Nominating and Remuneration Committee consists of 3 persons. One of them is executive director and two of them are independent directors as follows.

1. Mr. Niakorn Parkpean, Independent Director, Is the member of the committee.
 2. Mr.Chanachai Chutimavoraphand, Executive Director, is the member of the committee.
 3. Miss Jutatip Arunanondchai Independent Director, is the member of the committee.
- Mrs. Arunee Trithepratima acts as the secretary of the Nominating and Remuneration Committee.

Duties and Responsibilities of Nominating and Remuneration Committee

- (1) Recruit and nominate persons who have proper qualifications to be the company's directors in order to propose to the Board of directors for consideration in case of vacancies.
- (2) Audit the structure, size, and components of the Board of Directors and provide recommendations in case that it is necessary to change such abovementioned.
- (3) Evaluate the performance of the Board of Directors every year in order to report to the Board of Directors.
- (4) Identify and audit the policy, guideline, and proper amount of remuneration for directors and executives in accordance with the responsibilities, and such remuneration shall be competitive within the industry and shall be in accordance with the policy stipulated by the Board of Directors by linking with the performance of the company and performance of each director. If the changes from the resolution of the previous shareholders' meeting is needed, shall propose to the Board of Directors for consideration and propose to the shareholders' meeting for approval.
- (5) Perform other relevant actions according to this regulation as stipulated by the Board of Directors.

In 2010, there were 2 meetings of Recruitment and Reward System Committee; the committee members were all attended and it may be called for the more meeting as the Chairman (of the committee) will approve in the future. Management delegate and and/or internal consultant may be invited to attend the meeting up to the committee. All committee members had attended to the meeting for discussion on criteria of the committee' term, criteria of committee and minor committee 's compensation, and criteria of new committee proposed by shareholders and etc.

Criteria for Identifying Term of Office of Each Committee

The Nominating and Remuneration Committee considered the background and preliminary qualifications as stipulated on the Public Company Act, and also the knowledge, capabilities, and experiences of persons. Persons who have proper qualifications shall inform the status of the director positions in other companies (both registered and non-registered companies) and report the shareholding according to the requirement of the Securities and Exchange Commission, and the disclosure of information about the conflict of interest to the Committee for consideration.

The Nominating and Remuneration Committee does not prohibit the company's directors to hold the positions at other companies, but each director shall inform every position at other companies to the Board of Directors in order to propose to the shareholders' meeting, and shall disclose the information to shareholders and other relevant units.

7.2.4 Good Corporate Governance Committee

The company has not yet set up the Good Corporate Governance Committee since the company's size is not so large and the operational plan is not sophisticated consisting of the Board of Directors, several sub-committees, Executive Board, and there are not so many employees. Thus, the good corporate governance is under the duties and responsibilities of Audit Committee consisting of 3 independent directors, internal auditors, and external auditors. The audit covers the operational system audit and the audit of internal control system, also manage and control regulations of the relevant external organization for good governance

Accounting

- The preparation of financial statements according to the generally accepted accounting principles.
- The calculation, evaluation, and the submission of tax to the Revenue Department and relevant organizations.

Registration of Licenses with the Government Agencies

- Department of Industrial Works, Ministry of Industry
- Marine Department, Office of Maritime Promotion, Ministry of Transport
- Office of Business Development, Ministry of Commerce
- Office of Environmental Control and the compliance with the rules of Ministry of Science and Technology
- District Office, Municipality Office, Sub-district Office, and other relevant units

The preparation of several types of report

- Stock Exchange of Thailand
- Securities and Exchange Commission
- Thailand Securities Depository Co., Ltd.

In additions, the Audit Committee also supervises and provides recommendations to the Board of Directors in order to identify the business operations guidelines, employee guidelines, review the codes of conducts for executives, Board of Directors, and propose to the Board of Directors for consideration.

However, the Board of Directors also pays attention to the good corporate governance, internal control system, and internal audit in order to support the efficient and effective operations, and also the audit of the compliance with the law in order to be in compliance with the international standards and the policies of the Stock Exchange of Thailand. The Board of Directors commits to follow the good corporate governance principles, communicates with every level of employees by specifying the vision, mission, and code of ethics in order to reflect the internal guidelines within the company so we are confident that the company follows the good corporate governance principles. The Board of Directors also realizes the duties and responsibilities in order to maximize the benefits for the company, discloses the information and fosters the transparency in the business operations. In additions, the Board also makes decisions and treats the stakeholders fairly, relies on the corporate social responsibility, generates good relationships with local communities, participates in the social activities in order to conserve the environment and develop the community. Such actions fosters the company's good performance and maximizes the values to shareholders. The company hopes that every director and employee shall perform their duties in order to maximize the customer satisfaction, commit to work together based on the good disciplines and be able to respond to every situation.

Self-Evaluation of Board of Directors

The Board of Directors' meeting No. 2/2011 on 24 February 2011 summarized the self-evaluation of the Board of Directors to every director so each director can evaluate him / herself and realizes his or her own duties, for the committee to review the their performances in the past year which are consist of 6 major items :

1. Structure and qualifications of the Board of Directors such as number of directors, knowledge and experience, and freedom of decision making.
2. Responsibilities of Directors such as paying attention to the duties and responsibilities, time for consideration and evaluation processes.
3. Board of Directors. Meeting such as identifying the meeting in advance, number of proper meetings and presenting the sufficient information.
4. How the Directors perform their duties such as studying information, expressing opinions, and taking time for consideration.
5. Relationship with management such as discussing or participating un the problem solving in case that problems results from the fact that the business plan is not achieved.
6. Self-development of Executive Directors such as understanding in the roles, duties, and responsibilities, monitoring the news about the competition, changes of rules, attending the training and identifying the succession plan.

Overall Evaluation Board is of the opinion below.

1. management is implemented in various matters. Observe each other in the normal range.
2. Non-executive directors understand and comply in good.
3. Board of Director and Audit Committee comply with the criteria very well.
4. The Board of Directors of the Risk Management Committee that is just getting established and is still in early stage Development

From the assessment the Board has considered the aggregate of the opinion that the current operations of the company's. More concretely, but also the part of the company. Just the stage set up and start working. This takes time to improve. To set guidelines for a standard more And it is expected that the development of the company. Will be in a better way in order

7.2.5 Executive Committee

In the Company Committee meeting, There were 6 executives had been appointed : Managing Director to be the Chairman of Executive Committee, Managing Director Deputy to be Chairman Deputy of Executive Committee, and 4 Committee to Manage and operate the business. The Executive Committee has appointed its members (who are the Managing Director in subsidiary and Managing Director Assistant down to Department Manager) as below :

<u>No.</u>	<u>Name – Surname</u>	<u>Position in the Company</u>	<u>Position in the Executive Board</u>
1	Mr. Prapas Chutimavoraphand	Managing Director	Chairman
2	Mr. Pong Chinthammit	Senior Executive Vice President	Vice Chairman
4	Mr. Chanachai Chutimavoraphand	Director	Executive Director
3	Mr. Narong Chenlarpwatanakul	Director	Executive Director
5	Dr. Suphsorn Chayowan	Director	Executive Director
6	Dr. Charnkrij Dejvitak	Director	Executive Director

Executive Summary of the meeting 2 times per month operation, with different managers. Participants to post comments. To improve their performance on a regular basis.

Shareholding of Executives Directors

<u>No.</u>	<u>Name-Surname</u>	<u>Number of Shares (Shares)</u>		<u>Number of Shares Increased</u>
		<u>31 December 2010</u>	<u>31 December 2009</u>	<u>(Decreased) During the Year</u>
1	Mr. Prapas Chutimavoraphand	430,399	391,272	39,127
2	Mr. Pong Chinthammit	-	-	-
3	Mr. Chanachai Chutimavoraphand	28,873,680	18,709,680	10,164,000
4	Mr. Narong Chenlarpwatanakul	-	-	-
5	Dr. Suphsorn Chayowan	-	-	-
6	Dr. Charnkrij Dejvitak	-	-	-

Additional Information about the Executives Directors Team is as follows :-

All the company's executives have no criminal offenses according to the laws during the past 10 years about :-

1. Be decided that they have criminal offenses, except the traffic rule violation offenses, light offenses, or similar offenses.
2. Be decided to be bankrupt persons.

Duties and Responsibilities of Executives Directors Team

The management team shall have the following duties and responsibilities as approved by the Board of Directors :-

1. The Executives Directors team shall be authorized to manage and operate the company as stipulated or approved by the Board of Directors in specific cases.
2. The Executives Directors team shall be authorized to manage the company's businesses according to the specified plans.
3. The Chairman of Executive Board shall report the outcome of the Executives Directors team's meetings to the Board of Directors in order to realize what the Executives Directors team has accomplished in order to make significant changes to the company, and / or the issues that shall be proposed to the Board of Directors for approval.
4. The Executives Directors team shall be authorized to conduct activities as identified in order to manage the company to attain the company's objectives.

5. Prepare and audit the financial plans and company's important policies, and propose to the Board of Directors for approval.
6. Develop and take care of human resources and identify the compensation according to the human resource policies.
7. Appoint, monitor, and evaluate the performance of employees from the level of top executives to the middle managers and prepare the succession plan.
8. Monitor and report to the Board of Directors regarding the performance of the company and progresses towards the achievement of company's objectives.
9. Monitor the performance of every level of employees regarding the risk management according to the guidelines stipulated by the company, the effectiveness of internal control and the compliance with the relevant laws, rules, and policies.

7.2.6 Risk Management Committee

There were 4 persons have been appointed to be the Risk Management Committee in August 2009. A committee is the company executive, and 3 committee are not the company executives; as the below list :

- | | | | |
|------------------|---------------|-------------------------|--------------|
| 1. Mr. Pariwat | Karnchanatana | Independent directors | as President |
| 2. Mr.Dhanadol | Sujiphinyo | Non-executive directors | as Director |
| 3. Mr. Win | Chinthammit | Non-executive directors | as Director |
| 4. Dr. Charnkrij | Dejvitak | Executive directors | as Director |

Note Mr. Pariwat Karnchanatana resigned from the Board in May 2010 Because the next mission personal.

Duties and Responsibilities of Risk Management Steering Committee

1. Shall be authorized to make decisions regarding the business operations under the scope of responsibilities identified under the risk management plan and shall be authorized to acknowledge the information for performing the duties as assigned.
2. Identify the risk management policy covering several types of risk such as strategic risk, accounting and financial risk, marketing risk, operational risk, or other risks significant to the company's business operations.
3. Identify the strategies and resources used for the company's risk management to be in accordance with the business operations.
4. Monitor the risk management processes in order to confide that the risk management strategies are properly applied.

In 2010 a meeting three times with the Risk Management Committee attended all of you.

7.2.7 Secretary of the Company

The company appointed Mrs. Arunee Tritheprattima to be the secretary of the company according to the resolution of the Board of Directors' meeting No. 7/2008 on 26 June 2008 and she also acted as the secretary of the Board of Directors. The Office of Company Secretary is the supporting organization in order to follow the principle of good corporate governance and in order to foster the effectiveness towards the company's business operations. The secretary of the company has the following duties and responsibilities :-

1. Provide the recommendations for the directors about the laws, rules and regulations the Board of Directors must acknowledge and follow so such directors follow such laws, rules, and regulations regularly and accurately. Report the changes of the significant laws to the directors.
2. Arrange the shareholders' meeting and Board of Directors' meeting according to the laws, and company's regulations and requirements.
3. Record the minutes of the shareholders' meeting and Board of Directors' meeting and monitor the compliance with the resolution of shareholders' meeting and Board of Directors' meeting.
4. Supervise the disclosure of data and information according to the rules and requirements of Stock Exchange of Thailand, Securities and Exchange Commission, and the relevant organizations.
5. Contact and communicate with shareholders so shareholders realize rights of shareholders.
6. Take care of the activities of the Board of Directors.

In additions, the secretary of the company shall also act as the secretary of several sub-committees, namely, Audit Committee, Executive Board, Nominating and Remuneration Committee, and Risk Management Steering Committee.

The Consideration in Auditor Appointment and Compensation

The Inspection Committee has considered on the auditor qualifications and evaluate the auditor performance to propose in the Company Board of Director Meeting. In the meeting, the committee will considered on the auditor compensation and auditor appointment in each year for shareholder approval (in Shareholder Meeting).

In the year 2010 , auditor compensation were:

- Audit fee
- The company and subsidiary had paid the audit fee to the auditor's company, Sam Nak Ngan A.M.C. Co., Ltd. in the past accounting year 815,000 baht.

7.3 Remuneration of Directors and Executives

Criteria for Considering the Remuneration of Directors and Executives

The Board of Directors assigns the Nominating and Remuneration Committee to review and consider the proper remuneration for the Board of Directors in order to comply with the responsibilities of Board of Directors, financial status of the company, and be competitive among other companies in the same industry. The company requests for approval of the directors' remuneration from the shareholders' meeting as follows :-

Remuneration

Annual General Meeting of Shareholders Annual 1 / 2010 on 29 April 2010 approved the remuneration for the year 2009 is as follows :

- Chairman of Remuneration per month 30,000 Baht
- Directors' remuneration per person per month 15,000 Baht
- allowance per person 10,000 Baht per month (only director to attend the meeting.)

Remuneration Committees

- Audit Committee Remuneration per month 10,000 Baht
- Compensation Audit per person per month 5,000 Baht
- Remuneration Committee, Nomination and Remuneration Committee at a time, 5,000 Baht
- Risk Management Committee meeting at a time, 5,000 Baht

Bonus for the Annual General Meeting 1 / 2010 on 30 April 2010 approved the bonus payments to the committee for not more than four times the monthly remuneration received.

Directors' Remuneration as of 31 December 2010

Unit : Baht / Year

No.	Name	Remuneration	Meeting Allowance	Bonus	Gasoline Allowance	Total
1	Mr. Pricha Attavipach	360,000.00	120,000.00	120,000.00	96,000.00	696,000.00
2	Mr.Prapas Chutimavoraphand	180,000.00	120,000.00	60,000.00	0.00	360,000.00
3	Mr.Pong Chinthammit	180,000.00	120,000.00	60,000.00	0.00	360,000.00
4	Mr.Chanachai Chutimavoraphand	180,000.00	110,000.00	60,000.00	0.00	350,000.00
5	Mr. Narong Chenlarpwatanakul	180,000.00	120,000.00	60,000.00	0.00	360,000.00
6	Mr.Chadej Insawang	180,000.00	100,000.00	60,000.00	0.00	340,000.00
7	Mr.Suang Ruangsook	180,000.00	120,000.00	60,000.00	0.00	360,000.00
8	Mr.Nisakorn Parkpean	180,000.00	120,000.00	60,000.00	0.00	360,000.00
9	Mr.Win Chinthammit	180,000.00	110,000.00	60,000.00	0.00	350,000.00
10	Mr. Chalush Chinthammit	180,000.00	100,000.00	60,000.00	0.00	340,000.00
11	Mr.Somchai Chinthammit	180,000.00	110,000.00	60,000.00	0.00	350,000.00
12	Mr.Dhanadol Sujiphinyo	180,000.00	120,000.00	60,000.00	0.00	360,000.00
13	Miss Jutatip Arunanondchai	180,000.00	110,000.00	60,000.00	0.00	350,000.00
14	Dr. Suphsorn Chayowan	180,000.00	120,000.00	60,000.00	0.00	360,000.00
15	Dr. Charnkrij Dejvitak	180,000.00	120,000.00	60,000.00	0.00	360,000.00
16	Mr. Pariwat Karnchanatana	75,000.00	60,000.00	30,000.00	0.00	165,000.00
17	Miss Yaowalak Chutimavoraphand	90,000.00	50,000.00	15,000.00	0.00	155,000.00
	รวม	3,045,000.00	1,830,000.00	1,005,000.00	96,000.00	5,976,000.00

- Note :**
1. Mr. Pariwat Karnchanatana Resigned from the Board on May 28, 2010
 2. Miss Yaowalak Chutimavoraphand To the board last month in June 2010

Remuneration for Audit Committee for the Year 2010

Unit : Baht

No.	Name	Position	Remuneration (฿)	Bonus	Total
1	Mr.Chadej Insawang	Chairman of Audit Committee	120,000.00	40,000.00	160,000.00
2	Mr.Suang Ruangsook	Member of Audit committee	60,000.00	20,000.00	80,000.00
3	Mr.Nisakorn Parkpean	Member of Audit committee	60,000.00	20,000.00	80,000.00
		Total	240,000.00	80,000.00	320,000.00

Executive Compensation

The Board of Directors assigns the Executive Board to be responsible for considering and identifying the remuneration for executives. The guideline for identifying the remuneration shall link with the performance of the company, performance of Executive Board and each executive.

Type	Number of Executive Directors	Thai Sugar Terminal PCL.
		Total (Baht)
Salary	6	5,524,720.00
Bonus	6	1,992,240.00
Living Expenses and Gasoline Allowance	6	398,529.00
Total	6	7,915,489.00

Note : The Executive Board consist of 3 executive count from the President down. Deputy Managing Directors for 1 persons, Vice President for 2 persons Accounting Manager and Finance Manager.

**Other Types of Non-Monetary Remuneration**

- | | |
|------------------------------------|--------------------|
| 1. Managing Director | : A car and driver |
| 2. Senior Executive Vice President | : A car and driver |
| 3. Deputy Managing Director | : A car |

Personnel

As of 31 December 2010, the company had 55 employees classified by the company's organization structure as follows :-

1. Management Team : Consisting of the Executive Board consisting of Managing Director, Senior Executive Vice President, Executive Vice President, Deputy Managing Directors.
2. Company Secretary
3. Accounting Department
4. Finance Department
5. Warehouse and Port Service Department
6. Technician and Maintenance Department
7. HR and Administration Department

Remuneration for Employees

In 2010, all the company's employees received the total remuneration of 14,732,083 Baht as follows :-

Salary	9,060,246.- Baht
Bonus	3,071,200.- Baht
Overtime	924,642.- Baht
Living Expenses and Others	750,100.- Baht
* Welfare	696,985.- Baht
Funds	228,910 .- Baht

Note : Welfare consists of :-

1. Compensation paid to its legal protection under the workers in the case of retired employees to work in 2010, the Company paid compensation to employees who retired on 2 people working the amount of 325,500 .- Baht
2. Employees' savings (retirement savings) : They are the amount of money the company paid to the employees who are retired from the company in case that the employees continuously work for the company for at least 10 years. Such savings are calculated from 50% of the salary in the last month multiplying with the number of years such employees have worked for the company. In 2010, the company paid the employees savings (retirement savings) for 2 employee of 371,485 Baht.

Retirement Mutual Funds (RMF)

RMF had been founded for the employee in 2008 and deducted 2% of employee salary. In 2010 the grant-in-aid was 228,910 baht (the company added more 228,910 baht) and there was the welfare on accumulated fund for the employee. Moreover, the company will paid the accumulated fund on employee retirement, this amount was calculated by half of last salary * number of service year. The employee would receive the total amount on retirement or early retirement with at least 10 service years.

Management Contract

- None -

8. Internal Control

The Board of Director has managed the effective internal control and risk management system at the properly stage under the supervision of internal audit. The internal audit will review and control the operation to achieve the plan and target that is management inspection, operation inspection, account & finance inspection and IT technology inspection of the company and subsidiaries. The Inspection Committee will be informed of internal audit result and monitoring report every quarter. Moreover Board of Director has supervised the sufficiency of internal control by Evaluation Form from all committee every year, and measured the company current plan and strategy for the new plan adjustment. The Evaluation Form presented the followings :

- Organizational Control and Environment Measure.
- Risk Management Measure.
- Management Control Activities.
- Information and Communication Measure.
- Monitoring.

The company has realized that the pleasant internal audit must confide the management and reduce the business risk, and help the company operate its business more efficiently and allocate the resources properly. The internal audit also helps protect the company's and customers' properties from leakages, loss, or misconduct, and takes care of the personnel to comply with the relevant laws, regulations, and rules, and also helps protect the investment from shareholders.

The Audit Committee is responsible for auditing the financial report by meeting with the company's accounting department, the auditors of the company and its subsidiaries, and the internal auditors. The meeting has reported the auditing outcome and proposed the recommendations to the company, and expressed the opinions freely, and will propose the financial report with the recommendation beneficial to the company's operations to the Board of Directors' meeting every quarter, and report the responsibilities towards the financial report as proposed to the shareholders on the annual report. The disclosure of important financial and non-financial information has been on the basis of the factual statement.

Meanwhile, the company also play the major role in operation efficiency under the proper monitoring and control system. The criteria in operation with the target and authority are clearly appointed to the operation line and personal for understanding on the same base of communication. For technology and IT system ; the employee are continuously trained and sufficient and the effective back- up system is arranged. Moreover, the in – out information scope through the company system were set in protecting the risk information that may damage the company system.

In year 2010, the Inspection Committee had checked up the internal control through the measurement of the executive and internal auditor; the Inspection Committee and company auditor has found no material problem or defect. That means the company internal control is sufficient and effective.

Corporate Governance

The Board of Directors has committed to operate the business under the good corporate governance principle according to the good corporate governance criteria and the Securities Exchange Commission's rules as the main factors for reinforcing the organization to implement the efficient management system. The top executive management and all ranks of the employee and there was 4 particular committee : Management Committee, Inspection Committee, Recruitment and Reward System Committee, and Risk Management Committee. The Audit Committee is also responsible for corporate governance. The Audit Committee shall screen any important project / job prudentially under the good corporate governance principle aiming to maximize the benefits for shareholders by realizing the stakeholders, moral principle, and transparency. Every specific committee consists of the directors with the qualifications, duties, and responsibilities according to the Stock Exchange of Thailand's requirement and the company has also clearly identified the duties and responsibilities of all specific committees in writing.

Identification of Good Corporate Governance Policy

The Board of Directors has identified the good corporate governance policy as follows.

1. The Board of Directors, executives, and every employee shall apply the good corporate governance principle so everyone performs the duties and responsibilities with responsibility, honesty, integrity, transparency, and pleasant vision. Everyone must respect the business ethics in order to operate the business and to create the good and fair relationship among the Board of Directors, executives, and shareholders.
2. The Board of Directors shall perform their duties with responsibility and the roles and duties of Chairman of Board of Directors and Chairman of Executive Board shall be clearly and separately identified.
3. The Board of Directors has played an important role in identifying vision, strategy, policy, and important action plans by realizing the risk factors, and setting the proper good corporate governance guideline. The Board of Directors has performed the duties to confide that the accounting system, financial report, and audit are reliable.
4. The Board of Directors shall be the leader and role model for performing according to the good corporate governance principle, and take care of solving the conflict of interest problems and related transactions.
5. The Board of Directors shall arrange the annual self-evaluation in order to be the frame for auditing how the Board of Directors performs their duties.
6. The Board of Directors shall consider and identify the company's business ethics so the Board of Directors, executives, every officer and employee shall apply as the guideline for their performance in addition to the company's regulations and rules.
7. The company shall sufficiently disclose the company's financial and non-financial information in a timely manner so the shareholders and stakeholders obtain equal information.
8. The company's shareholders shall be treated with equality, be able to access the information, and have the proper channel for communicating with the company.
9. The company shall implement the proper system for recruiting personnel who shall act as the company's key executive at every level, and fair and transparent nominating process.

The company has had the policy to promote and support every director to attend training with Thai Institute of Directors and other institutes in the relevant curriculum in order to strengthen knowledge regarding the roles and duties of directors. The company shall inform the directors, promote the awareness towards the good corporate governance principle for directors, executives, employees, and relevant parties. Every employee shall realize news regarding any actions towards the corporate governance, and regularly arrange the meeting for employees at various levels in order to reinforce the pleasant atmosphere and to create understandings between management and employees. In additions, the company has also opened the opportunity for employees to make inquiries freely and support the employees to realize the responsibility towards society, community, and external environment.

Taking Director's Position at Other companies

The company has operated its business by a group of businessmen in sugar industry. These businessmen have their own businesses and take the positions as directors at their own companies. However, for the business transparency, the company's directors shall disclose their position in each company and inform the company so the company is able to disclose such information to shareholders and investors. In this way, the directors are able to apply their experience, knowledge and capability in the businesses that they are responsible for to adapt the company's businesses in order to be in compliance with the customer's businesses.

1. Right and Equality of Shareholders

The company has realized to fairly maintain the fundamental rights that shareholders shall obtain and the equality of all shareholders as specified by the laws and also the proper and efficient management acceptable among shareholders and every party in order to lead to the good corporate governance so the shareholders rely on and confide to invest in the company's businesses.

The company has arranged the annual ordinary shareholders' meeting within 4 months from the date that the accounting year ends and in case of necessary to propose the special agenda that impacts or relates to the shareholders' benefits or relates to the conditions, rules, or laws that shall be approved by shareholders, the company shall arrange the extraordinary shareholders' meeting on a case-by-case basis.

Shareholders' Meeting

Regarding the shareholders' meeting, the company has opened the opportunity for minor shareholders to propose the agenda concerning the ordinary shareholders' meeting and name of persons to be directors in advance. This is a part of good corporate governance in order to express the fair and equal treatment to every shareholder. In additions, for the clear and transparent steps and procedures for consideration, the company has identified the criteria for minor shareholders to propose the agenda for the ordinary shareholders' meeting and name of persons to be the directors in advance in order to screen the agendas beneficial to the company and select the persons who have the proper qualifications to be the company's directors and such persons are able to efficiently perform the duties for the maximization of the company's benefit and every stakeholder so the company is able to fairly comply with the good corporate governance.

In 2010 the company arranged the ordinary shareholders' meeting on 29 April 2010 at the company's office and the company submitted the invitation letter to attend the meeting with the details of the meeting agenda and the documents to shareholders more than 7 days in advance of the shareholders' meeting date. In case of shareholders who were not able to attend the meeting by themselves, they were able to assign proxies to others or independent directors that the company mentioned on the letter of power of attorney as identified by Ministry of Commerce in order to attend and vote on behalf of shareholders. In additions, the company notified the shareholders' meeting on the newspaper for at least 3 consecutive days and at least 3 days in advance of the meeting in order to inform the shareholders' meeting in advance so the shareholders were able to prepare themselves before the meeting and on the meeting day, the company also facilitated every shareholder with equality and provided the receptionists to facilitated the shareholders. The company opened the registration for 2 hours in advance of the meeting and offered the proper banquet for shareholders who attended the meeting.

The company also opened the equal opportunity for every shareholder concerning the shareholders' meeting. The meeting was started by the secretary of the meeting to explain all the rules and the methods to count the shareholders' vote in each agenda according to the company's regulations. The right to vote in each agenda was clear and the company opened the opportunity for every shareholder to express the opinions, recommendations, and inquire in each agenda so the shareholders had the opportunity to discuss properly and sufficiently. The Chairman of the meeting conducted the meeting according to the meeting agenda and did not add any agendas without informing the shareholders in advance and the executives paid attention to every question and answered the inquiries clearly, and issued the accurate and complete meeting minutes, and summarized each agenda by voting and counting the vote. The period of time for each shareholder's meeting was approximately 2-3 hours per time.

2. Shareholders' Meeting

Before the shareholders' meeting date

The company disclosed the invitation letter with the complete details on the company's website and submitted the invitation letter with details consisting of the meeting agenda, Board of Directors' opinions, meeting minutes of the previous meeting, annual report with the attachments, letter of power of attorney and methods of assigning the proxies to others to the shareholders more than 7 days in advance of the meeting, and notified the meeting on Thai daily newspapers for at least 3 consecutive days and at least 3 days before the meeting in order to inform the shareholders in advance so shareholders were able to prepare themselves before the meeting. The company submitted to every shareholder who had the name occurred on the shareholders' register on the closing date of the company's shareholder register. In case that shareholders aimed to assign proxies to others to attend the meeting, they were able to assign proxies to any persons or independent persons to be the grantee of such proxies on behalf of the shareholders.

In 2010 the company the opportunity to offer the minority shareholders on the agenda of the meeting in advance. As well as to nominate a director. The notification rules are. On its website. <http://www.tstegroup.com>. To gather and present the Board of Directors with the agenda of the meeting. When considered that subject to shareholder proposal is beneficial to the Company's business.



Shareholders' Meeting Date

The company identified the location, date and time of the meeting in order to facilitate every shareholder equally and confide shareholders regarding the security. The company also specified the proper and sufficient registration points and shareholders were able to register for the meeting at least 2 hours in advance of the meeting until the meeting finished and provided the proper souvenirs and banquet for shareholders who attended the meetings. In every shareholders' meeting, the Chairman acted as the Chairman of the meeting and informed the details of quorum, explained the voting methods, counting methods, and how to use the voting card, and opened the opportunity for the shareholders to properly and sufficiently inquire or express the opinions, and each director and executives answered the inquiries clearly. In such annual ordinary shareholders' meeting there were attending the meeting consisting of Chairman, Chairman of the Audit Committee and all members of the Audit Committee (total of 3 persons), Managing Directors, high-ranking executives, and the company's auditors acting as the persons who verified and voted on each agenda.

Company Visit for Minor Shareholder

Company Visit will be arranged after Ordinary Meeting annually by the officer to see inside company such as wharf, staff operating (in warehouse, pile-sugar station, van weigh area, molasses preservation area). In case the shareholder would like to visit the subsidiary such as wheat flour factory and sack factory, there were the officers to welcome the shareholders.

After the meeting

The company submitted the shareholders' meeting report with the details of the meeting minutes, voting, and the shareholders' inquiries in each agenda to the Stock Exchange of Thailand within the specified period.

3. Rights of Stakeholders

The company has paid attention to taking care of and realizing every internal and external stakeholder as follows. Customers, shareholders and employees, and responsibilities to society and environment. Rights of stakeholders are the explicit guideline in order for the company to respond to the needs of stakeholders so the Board of Directors, management, and company's employees have committed to perform the actions according to the guideline and everyone must follow this guideline as follows.

Shareholders : Executives have committed to conduct businesses in order to create the maximization of satisfaction to shareholders by :

1. Performing the duties with honesty and integrity, and making decisions with sincerity and fairness to major shareholders, minor shareholders for the maximization of benefits to the overall shareholders.
2. Managing the organization with care and prudent in order to protect losses to shareholders and realizing the risk conditions in the current and future situation.
3. Performing the duties by applying the managerial knowledge and skills at the best of their efforts in every case.
4. Managing any organization's assets in order to protect the devaluation or losses with dishonesty.
5. Providing the regular and complete report of the organization's performance according to the fact, and informing every shareholder equally regarding the future trend of the organization both in the positive and in the negative aspects on the basis of feasibility and sufficient information support.
6. Do not seek the benefit for themselves and relevant parties by applying any organization's information not yet open to the public.
7. Do not disclose the organization's confidential information to outsiders, especially to competitors.
8. Do not perform any actions that may lead to the conflict of interest for the organization.

Employees : The company has paid attention to and treated the employees with equality as follows.

1. Providing the fair compensation to employees and the compensation must be competitive to other companies.
2. Regularly taking care of the work environment for the safety of employees' life and properties.
3. Providing human resource management regarding the explicit appointment, transfer, reward, and punishment procedures, and performing the duties with honesty on the basis of knowledge, proficiency, and employee's properness.
4. Paying attention to development of employee's knowledge and proficiency by opening the opportunities for employees thoroughly and regularly.
5. Listening to the opinions and recommendations on the basis of employee's professional knowledge.

Counterparties :

1. Performing the duties according to the trading conditions regarding the contract with every counterparty and avoiding any dishonest procedures.
2. Performing the duties according to the competition rules and do not damage the reputation of the competitors.

Customers : The company shall pay attention to and responsible for the customers by

1. Providing qualified and acceptable services
2. Disclosing the news and information regarding products and services completely and accurately and do not distort the fact and shall realize the customer's benefits and interests.
3. Warranting the products and services under the condition with proper period of time.
4. Do not submit the products and services to customers when realizing that such products have defects or may be dangerous to customers, and do not release the products and services with lower standard to customers.
5. Do not make customers misunderstood about the quality, price, quantity, or other conditions of such products or services.
6. Arranging the system so customers are able to make complaints about products and services and perform the best of their efforts in order for customers to obtain rapid responses.
7. Maintaining the customer's confidential information strictly, and do not apply the confidential information for their own benefits and the relevant parties' benefits.
8. Finding the methods to reduce production costs by maintaining the standard of product and service quality in order to continuously increase the benefits for customers.
9. Maintaining the contract and strictly performing the duties according to the conditions towards customers. In case of not able to perform according to any conditions, must inform the customers in advance in order to find the solutions.
10. Do not earn the profit in a dishonest way when compared to the quality of products or services, and do not identify the unfair trading conditions for customers.

Competitors : The company performs according to the competition rules by

1. Performing according to the competition rules.
2. Do not seek the confidential information from competitors dishonestly or properly.
3. Do not damage the reputation of competitors by slandering or accusing them.

Overall Society : The company shall be responsible for the environment and society by

1. Do not perform any actions that may impact the natural resources and environment.
2. Continuously supporting the activities that play a role in creating the society.
3. Continuously and seriously creating awareness regarding the responsibility to the society among every level of employees.
4. Controlling the strict compliance according to the intention of the laws.
5. Do not assist or support the avoidance of compliance according to the laws or rules.
6. Cooperating with the supervisory units and reporting the data regarding any violations or non-compliance according to the laws or rules towards such units.

Responsibilities to society, community, and environment

Since the company has conducted the product loading business onto the seagoing vessel and the location of the company is located near Chao Phraya River and within the warehouse, and molasses storage and loading station, is located close to the community where people have lived for a long time. Therefore, the company's business operations have realized the impact on the society and environment that are closely related. It can be summarized as follows.

- Regarding the waste, garbage, oil or chemical substances, the company has strictly taken care of and protecting the spill into the river, and hired the employees to take care of the cleanness and regularly coordinated with the government agencies responsible for managing the waste or garbage within the company or around the area closed to the community.



- Constructing and taking care of the drainage pipe, constructing the grease trap for treating fat and waste water, taking the sample of water from various points in order to verify the quality under the standard by measuring Ph, BOD, Ammonium-Nitrogen, Suspended, and others for every 3 months.
- Taking care of the impact from sound during working in order not to disturb people living in the surrounding areas.
- Constructing the dam around the molasses tanker via the solid materials in order to support the quantity of products that may be leaked from the tanker.
- Cooperation and support of community activities adjacent to the area or areas far away on a regular basis by the year 2010. Activities of the Company. To support continuation of the past on a regular basis every year, including.
 - a. Supporting the activities for the National Children's Day of various communities such as Poo Hangsanawat temple community in South Sam Rong, Northern Sasm Rong temple community, Moo 1 Ruam Jai Pattana Community, Wat Thong Koong school, and others and supporting the religious activities for temple in the surrounding areas.
 - b. Continuously supporting the education by offering the scholarship for poor children continuously since the year 1982 until now, namely, Kiat Ruammit for education foundation.
 - c. Supported the field trip activity by invite the students from schools located in the vicinity to visit the company and acknowledged them on the company business characteristic, social community living, and environment reservation in order to understand the importance of cleanness, wastewater treatment, and others.
 - d. Supported the Pitak-Tham Club in order to honor H.M. the King Bhumibhol 's Birthday for educational development of Pu Chao Saming Phai School group.
 - e. Supported the education funds and vocational training for blind in Samudprakarn province.
 - f. Supported the H.M. the King Bhumibhol's 80th Birthday Anniversary Project in development blind's living quality.
 - g. Supported the Thairath Foundation in school building project in provinces.

Other than many activities supported by the company continuously, in 2009 the company also take part in religion activity : one of the host in present robes to monks at the end of Buddhist Lent at the amount of 199,999 baht (One Hundred Ninety Nine Thousand Nine Hundred and ninety baht) at Wat Samrong Nua, next to the company area. This money was donated for religion activity and education support for Wat Samrong Nua School.

Possibilities to Personnel and Employees

The Company has realized the importance of personnel, taking care of the welfare and workplace safety, and pleasant working condition that will affect the employee's mental condition and dedication. Therefore, the company has paid more attention to the employee's welfare in addition to compliance according to the laws, namely,

Housing The company's employees and their family are able to live within the employees' houses constructed by the company as the building surrounded by the playground, parking lots, and others.

Welfare other than social security welfare, the company had set the other welfares for employee : the wel fare for sick, accident, marriage, delivery, ordination, and death of employee's father mother, and child.

Promoting knowledge and experience The company has sent the employees to attend the external training or on-the-job training such as fire extinguishing and migration in case of fire, etc. in order to promote knowledge and proficiency in assisting themselves but others and people living in the surrounding community. The company has arranged employees to attend the training course for security officers and such employees will obtain safety officer certificate, and also other courses such as technology and information, machinery utilization, accounting and others that each employee should apply the knowledge into the job.

Right to Make Complaints The company has arranged the meeting for various levels of employees by opening the opportunity for everyone to freely express his / her opinions or in case that the employees aim to make complaints, they shall submit the letter to :

Chairman of Executive Board or Audit Committee
Thai Sugar Terminal Public Company Limited
90 Moo 1 Soi Siam Silo
Poo Jao Saming Prai Road,
Sam Rong Klang Sub-district,
Phra Pra Daeng District,
Samut Prakarn 10130



The company has performed according to the legal requirement and various relevant rules in order to take care of rights of stakeholders.

4. Board of Director's responsibility

As of dated 31 December 2010, 16 Company Committee are 5 independent committee, 6 executive committee, and 5 non- executive committee, the Chairman is independent committee and not the Managing Director.

Board of Director has been appointed and authorized in control and supervise the operation under the company regulation. Board of Director is responsible to all shareholders by control and perform the fair and independent business with considering of all shareholders and beneficiary. Board of Director will not do the double work with the Managing Director and Executive Committee.

Board of Directors are consist of 5 independent committees that no relationship in personal, business, or other aspects with the company or executive; not the delegate of any particular shareholder, no financial interest or personal matter with the company; therefore, their fair and independent judgement can protect all shareholder benefits evenly. All Independent Committee are qualified according to The Securities and Exchange Commission's announcement: not hold more than 1% of common stock, no relation with the company in management participation and/ or professional service, also no business relation with the company.

All the committees have the business experience in related industry for the overall benefit of the company; their business knowledge can help the company in many ways: the business knowledge to understand the business obstacle and create industrial competitive's advantages for the company. Moreover, all the committees are qualified with no forbidding qualification according to the Public Company Law and The Securities and Exchange Commission's announcement.

In the position of the Committee, each Committee will be informed of the company profile, regulation on Committee scope of duty and responsibility, law consultant, term& condition in being the Committee in the listed company, and information to understand the company business.

After completing the 1st three-year term, the Committee may be appointed to be in the position again; if the new Committee is expected, the shareholder has to select the qualified person with ability for being the Committee.

In case of vacancy and the left term is more than 2 months, Board of Director must select the new Committee in the next Committee Meeting; the consensus must be approved by 3/4 of the remained Committee. The new Committee will be termed as the replaced Committee.

Board of Director will control the plan and strategy of executives for the utmost benefit of the company and all participants. Board of Director will authorize the routine management to the Managing Director and higher other executives also appoint the minor groups of Committee to take care of some particular businesses.

Board of Director Chairman's duty and Managing Director's duty are not duplicated; Managing Director has the responsibility in appointing the executives and higher executives to manage the business.

The Company Committee had arranged the Office of Company Secretary to help and support the Company Committee. The Office of Company Secretary will be operated in control the company regulations & performance to abide by the Public Company Act, and coordinate & help the shareholder.

Board of Director has monthly meeting that all committees have to attend; in case of meeting absence, the Committee will be informed of that meeting conclusion.

Board of Director Chairman appointed the Managing Director and the Office of Company Secretary to prepare the meeting agenda.

The Office of Company Secretary has the duty in preparing and sending out the meeting appointment letter and information to the committees not less than 7 calendar days before the meeting date. Hence, the Committee has enough time to study the meeting agenda. In the meeting, the involved executive will bring in the issue and report according to the agenda and the Committee has the opportunity to discuss and debate independently. Besides, there may be asked for more information or suggestion from independent consultant case by case.

In case any Committee has conflict of interest in the meeting session agenda; that Committee will reveal the conflict of interest to Board of Director immediately and will not be participated in that meeting session.

Board of Director had arranged the Minor Board of Director to assist in many parts; the details are presented in item 9.2. Board of Director has the responsibility in checking up the structure and operation performance of every group of Minor Board of Director yearly.

The Committee in each minor group has the criteria and regulation to specify its duty, authority, and responsibility and the Chairman of each minor group has to report the performance and significant issue to Board of Director.

Board of Director has responsibility in scope the risk management and internal control in order to support the effective operation, moreover, has to inform the financial information. Board of Director has creditability and ability to control the operation

within the law and regulation framework ; and to follow-up the risk management measure & internal control according to the company strategy.

For properly internal control system, Board of Director has to scope, check up , and consider the facts of all involved risks together with the loss & expense may occurred in risk management control.

Board of Director has approved and issued the Business Ethics Manual for employees; the manual present the method in duty operation, performance of Committee and employee in the Company Principle and Core Value, and the responsibility to all participants for honestly and fairly standard manner & performance of Committee and employee.

Board of Director has realized the importance of employees : treat them with respect and give the opportunity to all level of employees in order to encourage them for effective operation performance under the specified responsibility and work place.

In business management, Board of Director has appointed the management authority to Management Committee and executives under the sufficient and proper internal control system. Some parts of internal audit plan will cover the sufficiency and effectiveness of internal control. The internal control will be carry on the Committee systematically and consistently ; the internal auditor has to report the internal audit result to r quarterly and propose to Board of Director for overall evaluation of the company internal control's sufficiency and effectiveness yearly.

Board of Director has the responsibility in scope the framework of risk management in order to support the operation performance effectively and follow up the scope of risk management to achieve the target plan. For properly internal control system, Board of Director has to scope, check up , and consider the facts of all involved risks together with the loss & expense may occurred in risk management control.

5. Leadership and Vision

The Board of Directors are responsible for the shareholders regarding the company's business operations and supervision of the management in order to be in compliance with the goal and guideline that will finally lead to the maximization of benefits to shareholders under the framework of business ethics and by realizing the benefits of every shareholder. The Board of Directors are also responsible for compliance according to the laws, company's objectives and regulations and the resolution of the shareholders' meeting with honesty, and are careful to maintain the benefits of current and long-term shareholders, and also for the compliance with the rules and regulations of Stock exchange of Thailand, Securities and Exchange Commission, and other laws regarding the company's business operations.

Regarding the duties and responsibilities, the company has identified the clear roles, duties, and responsibilities between the Board of Directors and management. The Board of directors has appointed the Executive Board and the Managing Directors acting as the Chairman of Executive Board and assigned the Executive Board to be responsible for the company's routine businesses, closely monitoring the company's business operations, measuring the company's performance, and reporting the businesses accomplished by the management to the Board of Directors immediately and regularly.

6. Conflict of Interest

The Board of Directors has identified the policy regarding the conflict of interest as follows. The persons who have related transactions shall inform the company regarding the relationship towards such transactions and shall not participate in the decision-making. The company has also identified the internal auditors and Audit Committee to monitor, take care of, and manage the problems regarding such conflict of interest. There have been no problems regarding the conflict of interest.

During every Board of Directors' Meeting, if there are any issues regarding the conflict of interest in any agendas that relates to the directors, the directors who have conflicts of interest shall have no vote or no comments.

The Board of Directors and executives meaning the spouse and children that are under 20 years of age when changing the company's ownership, shall inform the company and report the changes of shareholding to the Securities and exchange Commission and the Stock exchange of Thailand according to section 59 of the Securities and Stock Exchange Act B.E.2535 within 3 days from the date of purchasing, selling, or transferring the shares and this shall be reported to the Board of Directors' meeting under the topic "the Changes in Securities Holding Report of Directors and Executives" strictly identified in the Board of Directors' meting report every time.



7. Business Ethics

In order to express the intention regarding the company's business operations with transparency, moral principle, responsibilities towards stakeholders, and society and environment, the company has identified the business ethics so the Board of Directors, executives, personnel and employees are able to apply as the guideline of performance in addition to the company's regulations and rules. The company has amended the regulations and rules in 2007 and shall formally notify the business ethics and the company's regulations and rules in 2008 until now.

8. Check and Balance of non-executive Directors

The appointment of company's directors has been according to the shareholder's meeting resolution after being considered by the Nominating and Remuneration committee and the Board of Directors, respectively. Currently (28 February 2011), there are 16 members of Board of Directors consisting of :

- a. 5 person Independent Directors which one-third of the Board of Directors
- b. 6 persons Executive Directors
- c. 5 persons Non-Executive Directors

Therefore, the stakeholders are able to confide that the directors are able to freely perform the duties as the representative of the shareholders with proper check and balance.

Control on the Company's Striated Information

The company has had the policy regarding the disclosure of accurate, complete, sufficient, and reliable information, transparency, financial report, and disclosure of other financial information regarding the business and the company's business performance in a timely manner to shareholders and people. The Board of Directors has strictly taken care of the compliance with the laws, regulations, and relevant rules regarding the disclosure of information and transparency. When the company's directors or executives have changed the ownership according to the Securities and Exchange Commission's requirement, this change shall be reported in the Board of Directors' meeting every month and the report of the change of ownership shall be submitted to the company after submitting to the Securities and Exchange Commission every time of the change.

Regarding the control of the company's striated information, the company views that this is the responsibilities of the directors, executives, and employees to strictly maintain the company's confidential information, especially the striated information not yet open to the public or information that may impact the company's business operations or stock price, or information obtained from the directors, executives or employees for the purpose of their own interest or for the businesses that compete with the company or relevant businesses. They shall not use the striated information for the purpose of trading the company's shares or shall not give the striated information to other people for the benefit of trading the company's shares, and shall not disclose the confidential information regarding the company's businesses to outsiders, especially the competitors, although the status of such directors, executives, or company's employees has been terminated. The company has applied the control system of the use of the company's striated information such as the system for protecting the access to the company's information from outsiders, the identification of the level of access to the company's information for employees at various levels according to their responsibilities, etc. In case that the executives or employees play the role in working on the ad-hoc project regarding the information that has not yet to the public or information in the process of negotiation and such project has been viewed as the maintenance of striated information that may impact the movement of the company's stock price, such executives and employees shall maintain the striated information until the disclosure of information to the Stock Exchange of Thailand and Securities and Exchange Commission Re : the control of the company's striated information. The company has identified on the work regulations for every level of employees under the category of disciplinary and punishment and in case that any employee avoids or violates the disciplinary identified, such employees shall be views as committing the disciplinary offenses and shall be punished according to types of offenses.

Relationship with Investors

The company has paid attention to the disclosure of accurate and transparent information by disclosing such information via the Stock Exchange of Thailand and the relevant units according to the specified rules and by disseminating the information on the company's website : (www.tstegroup.com) and in case that the shareholders or investors would like to contact the company, they shall contact the company at :

Office of Secretary
Thai Sugar Terminal Public Company Limited
90 Moo 1 Soi Siam Silo, Sam Rong Klang Sub-district
Phra Pra Daeng District, Samut Prakarn Province 10130
Tel. 02-183-4567

or email to the company at E-mail Address : t_s_t_e@yahoo.com and attention to the company secretary.

9. Transactions between the company and its related parties

Inter- Company Transaction Policies

Approval of the transactions between associated companies, the Company will follow procedures to control transactions between the Company and its related parties including associating with persons who may have conflicts of interest or potential conflict of interest in the future according to the announcement of the Securities and Exchange Commission of Thailand. In addition, the company assigns the audit committee to comment on the needs, rationality and appropriate pricing of transactions that occur by considering the conditions according to the nature of the trading market and make comparison to third parties. The committee, and the board in general, needs to make sure that it carefully considers all relevant aspects of the transactions. In case the Committee is not specialize in the transaction occurred, the Company will bring in experts such as auditor, property appraiser etc. who is independent from the company and with no conflicts of interest to consider and comment on such transactions. The comments will be applied to the decisions of the Audit Committee and then presented to the Board of Directors or the shareholders meeting for consideration and approval.

In addition, the company has determined the measures that either the executives or stakeholders can't participate in the transaction that they are involved both directly and indirectly. Besides, the Board of Directors will oversee the company to ensure that all things will be in compliance with the Securities and Exchange regulations and requirements of The Stock Exchange of Thailand as well as are met all the disclosure requirements related transactions and the acquisition or disposition of the assets of the Company and its subsidiaries complying with accounting standards set by the Federation of accounting Professions. The related transactions will be disclosed in the notes to the financial statements or to be audited or reviewed by the auditors of the Company and will be disclosed in the annual statement (Form 56-1) and the annual report.

Potential Inter- Company Transactions

Transactions that may occur in the future, the conditions are consistent with the nature of trade in general and referred to the market price. The Company and /or the group of companies consign the Audit Committee and / or independent committee member to remark on the remuneration clinging to the necessity and practicability of the transactions. If there will be any transactions that happen to people who may have conflicts of interest, the company will perform according to the rules announced and / or regulations of the Securities and Exchange Commission and / or the Stock Exchange of Thailand. The company may consign an independent expert or an auditor of a company to comment on such transactions. The comments will be used for the Board of Directors or shareholders to make a decision. As the case, The Companies will disclose related transactions in the notes to financial statements which have been audited by the company's auditor.

Transactions between the company and its subsidiaries, respective companies and persons who may have conflicts of interest that may occur in the future, the conditions will be in accordance with the nature of trade business. Therefore it is necessary to clearly have related transaction policies which sensible and latch on to the market price referred to the Securities and Exchange Commission Act 2551 (No. 4) Act 2551 Section 89/12 (1) The list will be presented to the Audit Committee to consider and review and express opinion on the rationality of transactions every quarter.

Transactions between the company and its subsidiaries, respective companies, persons who may have conflicts of interest that does not conform to normal commercial conditions, the company assigns the audit committee to comment on the needs, rationality and appropriate pricing of transactions that occur by considering the market price and compare the price made to third parties. The committee, and the board in general, needs to make sure that it carefully considers all relevant aspects of the transactions. In case the Committee is not specialize in the transaction occurred, the Company will bring in experts such as auditor, property appraiser etc. who is independent from the company and with no conflicts of interest to consider and comment on such transactions. The comments will be applied to the decisions of the Audit Committee.

However transactions that may rise to conflicts of interest, the Company has determined the measures that executive directors and stakeholders can participate in the approved list in both direct and indirect. The Board of Directors will ensure that the company is in compliance with the laws of the Securities and Exchange Commission and regulations or requirements of the Stock Exchange of Thailand, the Capital Market Supervisory Board -SEC , rules regarding the disclosure of information concerning the acquisition or disposition of the company and its subsidiaries assets according to the SET, the Capital Market Supervisory Board- SEC and / or related agencies and accounting standards set by the Federation of Accounting Professions of Thailand.

Principles of trade agreements with general business conditions in the transaction between Company and / or its subsidiaries, directors, executives or persons involved

Securities and Exchange Act (No. 4) (Amendment) Under Section 89/12 , which determines how the transaction between the companies and its subsidiaries, directors, executives or persons involved (as defined in the Act. above) ("Transactions") on a set that Section Director 89/12 "directors, executives or persons involved may conduct transactions with related companies or subsidiaries only when the transactions have been approved by the company's shareholders unless the transactions fall into one of the following classifications:

- (1) Transaction which is a trade agreement made to general contractors in the same situation with negotiation authority that is deprived of any effect on their status as directors, executives or individuals with relevant case. And have been approved by the Board of Directors /or in accordance with approved principles of the Board of Directors.
- (2) Loan relief officials and employees program
- (3) Transactions of the other party or parties are listed as:
 - (A) Subsidiary which the company is the major shareholders of not less than ninety percent of the total issued shares or
 - (B) Subsidiary which Director or the relevant person holds shares or has an interest either directly or indirectly not exceed the rate or amount that the Capital Market Supervisory Board declared.
- (4) Transactions that are not exceed the amount or rate declared by the Capital Market Supervisory Board.

Prescribed in accordance with (3) (b) or (4), the Capital Market Supervisory Board may require that the transaction must be approved by the Board of Directors as well.

In order to comply with such provisions, the principle should be considered of entering into the transaction :

"The Executive is able to approve the transaction between the parties, between the Company and / or its subsidiaries, directors, executives or persons involved (Whether such transactions are conducted in the present and will continue to will be held in the future) without approval from the Board of Directors and the shareholders if the transaction is a trade agreement made to general contractors in the same situation with negotiation authority that is deprived of any effect on their status as directors, executives or individuals with relevant case".



Related Transactions

Persons who have Conflict of Interest and Related Transactions

Name of Company / Business Type	Nature of Relationship	Name of Major Shareholders	Name of Directors
Khon Kaen Sugar Public Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 23.82% 2) Have 3 co-directors : 1. Mr. Prapas Chutimavoraphand 2. Mr. Chalush Chinthammit 3. Mr. Somchai Chinthammit	As of 31 October 2010 1. K.S.L. Sugar holdings Company Limited 32.26% 2. *Mr. Chanachai Chutimavoraphand 2.76% 3. Mr. Somchai Chinthammit 1.92% 4. Mr. Chalush Chinthammit 1.04% Khon Kaen Sugar Public Company Limited, At the end of fiscal year 2010 on 31 October 2010 <u>Note</u> * Mr. Chanachai Chutimavoraphand is the director of Thai Sugar Terminal Public Company Limited and is an Executive Vice President of Khon Kaen Sugar Public Company Limited (Finance and Accounting)	1. Mr. Manu Leowpairoj 2. Mr. Jamroon Chinthammit 3. <u>Mr. Prapas Chutimavoraphand</u> 4. Mr. Pornsilp Taamsirichai 5. <u>Mr. Somchai Chinthammit</u> 6. Mr. Supasom Sukanin 7. Mr. Trakarn Choonharojrit 8. Ms. Duangkhae Chinthammit 9. Ms. Duangdao Chinthammit 10. Mr. Thatchapong Pakornsirirongse 11. <u>Mr. Chalush Chinthammit</u> 12. Mr. Chattri Chinthammit 13. Mr. Sukhum Tokaranyaset 14. Mr. Thawatchai Rojanachotkul 15. Mr. Somchart Chinthammit 16. Mr. Pramoon Vichiansin 17. Police General Boonpen Bampenboon 18. Mr. Sitti Leelkasemrerk
Ratchaburi Sugar Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 4.74% 2) Have 1 co-director : 1. Ms. Jutatip Arunanondchai	As of 31 December 2010 1. Mr. Soontorn Arunanondchai 37.50% 2. Mrs. Araya Arunanondchai 37.50% 3. Thippamas Company Limited 25.00%	1. Mr. Soontorn Arunanondchai 2. Mrs. Araya Arunanondchai 3. Mr. Suwit Arunanondchai 4. <u>Ms. Jutatip Arunanondchai</u> 5. Ms. Juthamas Arunanondchai 6. Mr. Tritip Arunanondchai
Prachuab Industry Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 9.72% 2) Have 1 co-director : 1. Mr. Pong Chinthammit 2. Mr. Win Chinthammit	As of 31 December 2010 1. Mr. Weera Chinthammit 9.75% 2. Mr. Pong Chinthammit 8.80% 3. Ms. Wanida Chinthammit 4.73% 4. Mr. Win Chinthammit 2.78%	1. Mr. Weera Chinthammit 2. <u>Mr. Pong Chinthammit</u> 3. Mrs. Patcharee Chinthammit 4. Mr. Win Chinthammit
Mitr Kaset Industry Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 4.18% 2) Have 1 co-director : 1. Mr. Narong Chenlarwatanakul	As of 31 December 2010 1. Mr. Mu Chenlarwatanakul 22.29% 2. Mr. Prayoon Chenlarwatanakul 16.43% 3. Mr. Prasarn Chenlarwatanakul 16.36% 4. Mr. Narong Chenlarwatanakul 5.74%	1. Mr. Fa Chenlarwatanakul 2. Mr. Anon Kaewpruksapimol 3. Mr. Mu Chenlarwatanakul 4. Mr. Prayoon Chenlarwatanakul 5. Mr. Prapat Chenlarwatanakul 6. Mrs. Napaporn Poowuttikul 7. <u>Mr. Narong Chenlarwatanakul</u> 8. Mr. Prawing Chenlarwatanakul 9. Mr. Prasutr Chenlarwatanakul

9. Inter-Company Transaction Items

Detailed data on inter-company transaction items between the Company, subsidiaries, and related companies are shown in the notes to the Company's Financial Statement No. 5, as of 31st December 2010 and 2009. Such items were verified by the Company's Audit Committee, who suggested that those items followed general conditions and normal business running.

9.1 The Characteristics of Inter-Company Transaction Items, Conditions, and Pricing Policy

The pricing of inter-company transaction items between related companies has been done by considering the appropriateness in terms of market price references, and other conditions not significantly different from the market. The characteristics of the inter-company transaction items are as follows:

9.1.1 Normal Business Service Arrangements for Y2010 Installment ending 31st December 2010, and Y2009 Installment ending 31st December 2009

Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2010	Y2009
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. provides warehouse rental to subsidiary at the rate depending on space and duration of the lease, and consistent with the market price.	18.19	23.98
	T S FLOUR MILL PUBLIC CO., LTD.		5.25	6.31
	T S TRANSPORT AND LOGISTICS CO., LTD.		1.89	1.89
	TS OIL INDUSTRY CO., LTD.		2.14	-
T S FLOUR MILL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	The Group Subsidiaries provides warehouse rental service to T S WAREHOUSE CO., LTD. at the rate depending on space and duration of the lease, and consistent with the market price.	1.55	4.08
T S G ASSET CO., LTD.			5.11	6.38
TS OIL INDUSTRY CO., LTD.			0.73	2.29
TS OIL INDUSTRY CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	TS OIL INDUSTRY CO., LTD. provides warehouse rental service to T S FLOUR MILL PUBLIC CO., LTD. at the rate depending on space and duration of the lease, and consistent with the market price.	-	0.16



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2010	Y2009
THAI SUGAR TERMINAL PUBLIC CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. provides the goods transfer service for export sugar to the group of sugar factories at the rate depending on the volume of goods, consistent with the standard market price.	6.14	5.59
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		3.12	3.62
	PRACHAUP INDUSTRY CO., LTD.		4.93	5.22
	TAMAKA SUGAR INDUSTRY CO., LTD.		4.27	4.15
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		0.49	1.01
	RAJBURI SUGAR CO., LTD.		3.61	-
	MITR KASET SUGAR INDUSTRY CO., LTD.		1.60	-
T S WAREHOUSE CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. provides the transfer of bulk raw sugar to THAI SUGAR TERMINAL PUBLIC CO., LTD. at the rate depending on the volume of goods, consistent with the market price.	5.85	12.42
T S WAREHOUSE CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. provides the transfer of bulk raw sugar to the group of sugar factories at the rate depending on the volume of goods, consistent with the market price.	0.03	0.14
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		0.27	0.42
	PRACHAUP INDUSTRY CO., LTD.		0.07	0.07
	TAMAKA SUGAR INDUSTRY CO., LTD.		0.12	0.21
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		0.02	0.05
	MITR KASET SUGAR INDUSTRY CO., LTD.		0.16	-
T S WAREHOUSE CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. provides depository warehouse service for sugar export at the rate depending on the volume of goods and duration of deposit, consistent with the market price.	1.19	2.67
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		3.27	3.03
	PRACHAUP INDUSTRY CO., LTD.		1.39	3.53
	TAMAKA SUGAR INDUSTRY CO., LTD.		1.58	2.18



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2010	Y2009
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		0.04	0.26
	RAJBURI SUGAR CO., LTD.		1.22	-
	MITR KASET SUGAR INDUSTRY CO., LTD.		0.25	-
KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. - Compensation for the transfer of sugar via port, at the rate depending on the length and volume of goods through port under the sales discount account, for which THAI SUGAR TERMINAL PUBLIC CO., LTD. will use the standard compensation rate.	0.48	0.94
NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.			0.81	0.99
PRACHAUP INDUSTRY CO., LTD.			0.48	0.42
TAMAKA SUGAR INDUSTRY CO., LTD.			0.61	0.57
RAJBURI SUGAR CO., LTD.			0.29	-
MITR KASET SUGAR INDUSTRY CO., LTD.			0.48	-
NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.			0.03	0.16
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. provides utility service to T S TRANSPORT AND LOGISTICS CO., LTD. at the rate actually paid.	0.02	0.02
	T S FLOUR MILL PUBLIC CO., LTD.		0.01	-
	T S G ASSET CO., LTD.		0.19	-
	T S FLOUR MILL PUBLIC CO., LTD.	Shovel tractor and weighing service at the market rate.	0.34	0.31
	TS OIL INDUSTRY CO., LTD.		0.30	-
	T S TRANSPORT AND LOGISTICS CO., LTD.		0.02	-
T S TRANSPORT AND LOGISTICS CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD. provides security service to the Group Companies at the market rate.	0.94	1.47
	T S WAREHOUSE CO., LTD.		2.26	1.51
	T S FLOUR MILL PUBLIC CO., LTD.		0.58	0.54
	TS OIL INDUSTRY CO., LTD.		0.31	-
	T S G ASSET CO., LTD.		0.43	0.40
	T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD. provides the transfer service of wheat flour product to T S FLOUR MILL PUBLIC CO., LTD. at the market rate.	8.89	10.01
THAI SUGAR TERMINAL PUBLIC CO., LTD.	RAJBURI SUGAR CO., LTD.	The company provides painting and sealing service for sugar sacks.	0.03	-
THAI SUGAR TERMINAL PUBLIC CO., LTD.	K.S.L EXPORT TRADING CO., LTD. (exporter)	THAI SUGAR TERMINAL PUBLIC CO., LTD. obtains from exporter in case of completing the transfer of sugar before the lease between the ship's owner and exporter ends.	-	0.65
PARAHITAC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	PARAHITAC CO., LTD. provides car rental service to the company and subsidiaries at the market rate.	0.09	-
	T S WAREHOUSE CO., LTD.		0.15	-



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2010	Y2009
T S TRANSPORT AND LOGISTICS CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD. sells plastic sack to the Group Companies at the market rate.	14.39	16.99
	TS OIL INDUSTRY CO., LTD.		0.01	-
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.		3.67	11.42
	MITR KASET SUGAR INDUSTRY CO., LTD.		1.25	2.59
	TAMAKA SUGAR INDUSTRY CO., LTD.		3.68	4.27
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		-	1.57
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		0.75	0.76
	PRACHAUP INDUSTRY CO., LTD.		-	0.82

The above inter-company transaction items are consistent with the normal business service conditions, and were verified at the Board of Directors' Meeting No. 1/2011 dated 24th February 2011.

Nevertheless, in order to abide by the Securities and Exchange Act (No. 4) B.E. 2008, the Board of Directors' Meeting No. 8/2008 on 31 July 2008 approved in principle that the management was authorized to approve transactions of normal, business support, or general trade types, and submitted a report of such transactions to every meeting of the Board of Directors.



9.1.2 Volume of Accrual and Other Items as of 31st December 2010 and 31st December 2009

Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2010	Y2009
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	Account receivable	1.47	0.03
		Accrued deposit from warehouse rental	-	0.26
		Account payable	-	1.00
		Deposit received from warehouse rental	2.78	3.40
		Accrued interest	0.09	0.15
	T S FLOUR MILL PUBLIC CO., LTD.	Deposit received from warehouse rental	1.03	1.24
		Accrued revenue	-	0.03
		Account receivable	0.70	-
	TS OIL INDUSTRY CO., LTD.	Accrued Interest	0.30	-
		Account receivable	0.02	-
		Deposit received from warehouse and land rental	1.29	0.46
	T S TRANSPORT AND LOGISTICS CO., LTD.	Deposit received from warehouse and land rental	0.63	0.63
	T S G ASSET CO., LTD.	Accrued revenue	0.01	-
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	-	0.15
	RAJBURI SUGAR CO., LTD.	Account receivable	0.11	-
		Accrued discount payable	0.29	-
	MITR KASET SUGAR INDUSTRY CO., LTD.	Accrued discount payable	0.48	-
	PRACHAUP INDUSTRY CO., LTD.	Account receivable	-	0.66
		Accrued discount payable	-	0.04
T S WAREHOUSE CO., LTD.	TS OIL INDUSTRY CO., LTD.	Accrued Interest	0.03	-
	T S G ASSET CO., LTD.	Deposit paid for warehouse rental	-	1.06
	RAJBURI SUGAR CO., LTD.	Account receivable	0.11	-
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	0.05	0.14
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.13
	TAMAKA SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.10
	PRACHAUP INDUSTRY CO., LTD.	Account receivable	-	0.08
T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	Account payable	1.41	2.05
		Accrued transport expenses	0.43	0.77
T S G ASSET CO., LTD.	TS OIL INDUSTRY CO., LTD.	Accrued interest	0.20	-
T S TRANSPORT AND LOGISTICS CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	-	3.28
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.81
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Account receivable	-	1.21
	TAMAKA SUGAR INDUSTRY CO., LTD.	Account receivable	-	1.21



Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2010	Y2009
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. received	-	0.64
	T S FLOUR MILL PUBLIC CO., LTD.	dividend from subsidiaries.	93.84	-

9.1.3 Land Rental for Y2010 Installment ending 31st December 2010, and Y2009 Installment ending 31st December 2009

Lesser	Lessee	Key Item Characteristics	Amount (million baht)	
			Y2010	Y2009
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	Rent land of 8,767 square meters to build a bulk warehouse for depository goods.	2.30	2.30
	T S FLOUR MILL PUBLIC CO., LTD.	Rent land of 4,650 square meters to build a bulk warehouse for renting.	0.34	0.82
		Rent land of 7,013 square meters to build an office building and a wheat production factory.	4.21	4.21
	T S G ASSET CO., LTD.	Rent land of 6,250 square meters to build a bulk warehouse for renting.	1.12	1.12
	TS OIL INDUSTRY CO., LTD.	Rent land of 2,880 square meters to build a bulk warehouse for renting.	0.52	0.52
		Rent land of 6,526 square meters to build a palm oil refinery building.	2.74	1.59
	T S TRANSPORT AND LOGISTICS CO., LTD.	Rent land of 4,500 square meters to run a sack weaving factory business. Rent land of 200 square meters to run a transportation business.	0.83	0.83

Necessity and Reasonability: THAI SUGAR TERMINAL PUBLIC CO., LTD. rents out land to subsidiaries to run a business with the lease contract of 1 year and 3 years. Upon maturity, the contract can be extended up to 30 years, which are normal business arrangements without special conditions, and no transfer of benefits between companies and related parties. The pricing will be consistent with the normal rate and can be compared with the pricing made with other unrelated parties. The Audit Committee has verified the inter-company transaction items between the Company and subsidiaries, and suggests that those items are normal business running items, which are necessary and reasonable for the maximization of the Company's benefits.

9.1.4 Loans / Inter-Company Loans between the Company and Subsidiaries, Y2010 Installment ending 31st

December 2010

Unit : million baht

Borrower	Lender	Balance Brought Forward	New loans	Repayment	Balance	Paid Interest
		1 st Jan 2010	Between Installment	Between Installment	31 st Dec 2010	Y2010
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	55	-	(20)	35	0.54
	T S G ASSET CO., LTD.	10	-	(10)	-	0.05
	T S FLOUR MILL PUBLIC CO., LTD.	10	-	(10)	-	0.04
TS OIL INDUSTRY CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	-	107	(15)	92	1.99
	T S WAREHOUSE CO., LTD.	-	17	-	17	0.14
	T S G ASSET CO., LTD.	-	13	-	13	0.10

Necessity and Reasonability: Transactions above are to provide financial support to the Company and subsidiaries as working capital for the business running. Loans have a payback period within 1 year to 5 years, paying interest every 1 and 3 months at the interest rate equivalent to that of 3-month fixed deposit interest of commercial banks plus 0.75% per annum and MLR-2, which is lower than the interest rate for loan from financial institutions. The lender will also obtain an interest rate return higher than a deposit from financial institutions. In case that the lender has a higher financial cost, the interest rate will be equal to the loan rate of a financial institution from which the lender has borrowed. The Company's Audit Committee has verified the inter-company items between the Company and subsidiaries, and suggests that such items are financial assistance items in the normal business running, which are necessary and reasonable for the maximization of the Company's benefits.

**9.1.5 Guarantee as of 31st December 2010 and 31st December 2009**

The Company has committed to credit facility guarantee received from the bank, as follows:

Unit : million baht

Company who uses credit loan	Company who guarantees debt repayment	Promissory Notes and Loans from Financial Institutions		Necessity and Reasonability
		As of 31 st Dec 2010	As of 31 st Dec 2009	
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	54.00	239.00	To invest additional fund in the wheat factory business. ^{1/}
T S FLOUR MILL PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	330.28	262.30	To use as working capital for the purchase of raw materials from abroad. ^{2/}
T S TRANSPORT AND LOGISTICS CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	13.00	7.00	To invest in production machinery and raw materials for the production of plastic sacks. ^{3/}
TS OIL INDUSTRY CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. and T S FLOUR MILL PUBLIC CO., LTD.	326.00	108.90	To invest in machinery and palm oil factory. ^{4/}

^{1/} THAI SUGAR TERMINAL PUBLIC CO., LTD. obtained a long-term loan from financial institutions in order to invest in T S FLOUR MILL PUBLIC CO., LTD. (Subsidiary), a wheat factory business, with a long-term credit loan of 280 million baht. In the year 2008, the Company paid the principle of 40 million baht, and in the year 2009, the principal of 60 million baht was paid out. In the year 2010, another amount of 160 million baht was paid out, with the amount remaining of 20 million baht. Moreover, in the year 2009, the Company made a further short-term borrowing in the form of promissory notes of 59 million baht, of which the principal of 25 million baht was paid out, leaving the remaining principal of 34 million baht. T S FLOUR MILL PUBLIC CO., LTD. acted as a guarantor of the debt repayment within the limit of 330 million baht.

^{2/} T S FLOUR MILL PUBLIC CO., LTD. borrowed from financial institutions in order to make purchase order for raw wheat from abroad. The borrowing consisted of short-term loans, trust receipts and letter of credit totaling of 700 million baht, and a long-term loan of 140 million baht. Together T S FLOUR MILL PUBLIC CO., LTD. and THAI SUGAR TERMINAL PUBLIC CO., LTD. jointly guaranteed the total debt repayment within the limit of 1,365 million baht.

^{3/} T S TRANSPORT AND LOGISTICS CO., LTD. obtained a long-term loan from financial institutions in order to invest in machinery used in the production of plastic sacks from abroad. The long-term credit amounted to 60 million baht, of which the whole amount was paid out in the year 2009. Also in the year 2009, the Company borrowed short-term loans from financial institutions in the form of promissory notes amounting to 7 million baht, and an additional amount of 6 million baht was further made in the year 2010. These short-term loans were made in order to purchase raw materials for the production of plastic sacks. THAI SUGAR TERMINAL PUBLIC CO., LTD. acted as a guarantor of the debt repayment within the limit of 85 million baht.



^{4/} TS OIL INDUSTRY CO., LTD. obtained a short-term loan of 189 million baht from financial institutions in order to purchase raw palm oil. Also, the company had a long-term credit of 200 million baht for investing in machinery used in the production and construction of palm oil factory, of which the company already made a borrowing of 146 million baht in the year 2010. Together THAI SUGAR TERMINAL PUBLIC CO., LTD. and T S FLOUR MILL PUBLIC CO., LTD. jointly guaranteed the debt repayment within the limit of 525 million baht.

9.2 Necessity and Reasonability of Transactions

The arrangement of such inter-company transaction items are necessary and reasonable in terms of the maximization of the Company's benefits. As for the year 2010 and 2009, the Company had inter-company transaction items with its subsidiaries and persons who may have conflicts of interest with the Company. These items are normal business arrangements without special conditions, and no transfer of benefits between companies and related parties.

The pricing of service charge and/or interest rates will be consistent with the normal rates, and can be compared with the pricing made with other unrelated parties, as already published in the notes to Financial Statements for the years 2010 and 2009.

The Company's Audit Committee has verified the inter-company transaction items between the Company and its subsidiaries, including warehouse rental, land rental, service charges, borrowings, loan interests, and those items that were already published in the notes to Financial Statements for the years 2010 and 2009, and suggests that those items are normal business arrangements, which are necessary and reasonable for the maximization of the Company's benefits.

9.3 Measures or Approval Procedures for Inter-Company Items

The Company has a policy concerning inter-company items as follows. Such items must be based on the ground of necessity and reasonability for the maximization of the Group companies' benefits. The pricing and conditions of such items must be indifferent from those items made to other unrelated parties. In case that the inter-company items have significant content, the Company will get approval from the Audit Committee, the Board of Directors, and the Shareholders' Meeting if necessary. In these meeting, votes must be counted, yet an interested committee or shareholder will have no right to vote. In any case, any arrangements must follow the related regulations set out by the Stock Exchange of Thailand.

9.4 Policy or Tendency for Inter-Company Items in the Future

Normal trade items such as warehouse rental, transfer of goods, depository service, security expense, transportation service between the Company, its subsidiaries, and related companies, will be retained. The Company will proceed with the aim towards the Company's benefits, and price according to the market rate.

Space rental items will follow the market price, and equal to the rental price giving to other parties.

Loans from person with possible conflicts of interest The Company has no policy to borrow from a person who may have conflicts of interest in the future. Except such a borrowing is made as financial support to the Company, its subsidiaries, and joint companies as seen appropriate.

Other special items are other items other than already mentioned in No. 1-4.



For inter-company transaction items that occurred between the Company or its subsidiaries and a person with possible conflicts of interest, stake-holding, or other conflicts of interest in the future, the Company will request the Audit Committee to advise on the necessity and reasonability of such items. In case that the Audit Committee has no required expertise in the consideration of such items, the Company will invite an independent expert or the Company's auditor to advise on the issue, so that the Board of Directors or Shareholders, depending on the case, shall use in the decision-making.

Nonetheless, for inter-company transaction items that may be occurred in the future, the Board of Directors will ensure that any action taken will follow the laws concerning securities and the stock market, rules and regulations, announcements, orders, or requirements of the Stock Exchange of Thailand, as well as the requirements on the disclosure of information regarding the related items, and acquisition or dispose of main assets of the Company or of its subsidiaries.

Audit Committee Annual Report 2010



The Audit Committee of Thai Sugar Terminal Public Company Limited is comprised of three independent auditors: Mr. Chadej Insawang director, Mr.Nisakorn Parkpean and Mr.Suang Ruangsook committee members. In 2010, the committee has met 6 times with all members attending. The purpose of the meeting has been reported in the below Annual Report 2010:

- 1) To review the quarterly financial reports and meet with heads of accounting division and external auditors to review and certify that the reports are truly satisfied without an influence from the management team.
- 2) To meet with the internal and external auditors to evaluate the effectiveness and adequacy of internal controls and the effectiveness of internal audit emphasizing the independent of internal and external auditors.
- 3) To approve of the annual audit plan of 2010 focusing on risk management that has a significant impact on business.
- 4) To review and monitor the system performance in compliance with laws relating to the Company's business, including the requirements of Thailand Stock Exchange and other relevant laws by consulting with the management team of accounting and internal auditors.
- 5) To ensure and provide tutorial in any suspended transactions with the transparency and open source to support and prevent interest conflict policies.
- 6) To evaluate the performance of external auditors in the past year and recommend the external auditors to the Board for consideration.

The committee with the executive members, internal and external auditors evaluate and ensure the company operating performance in the past year and all agree that the company has appropriate and adequate internal control system and operate in accordance with the laws regulations related to business._The company's financial statements have been prepared under principles of accounting considering with the implementation of risk management and the review process.

In addition , the Audit Committee has reviewed the performance and independency of external auditor, the Audit committee has consider auditor selection and submitted the name for 2011 to the Board of directors. The Board of Directors then proposed to the general meeting of shareholders for consideration and approval of compensation and audit fee.



(Mr.Chadej Insawang)

CHAIRMAN OF THE AUDIT COMMITTEE

22 February 2011

Board of Directors financial preparation reports (annual 2010)



Dear Shareholders,

The Board of Directors of Thai Sugar Terminal Public Company Limited is responsible for the financial statements including the financial information in the annual reports, which have been prepared in accordance with the general accounting principles. The company follows the appropriate accounting policies and practice on a regular basis. Drawing on reasonable judgments to prepare financial statements and as well as disclose sufficient information. The financial statements have been reviewed and approved by independent auditors. These financial statements truly reflect the financial position and company operating performance during the past year. For the beneficial of the shareholders and investors with transparency and maintaining internal control that are appropriate and effective to ensure that all accounting information is correct and sufficient to prevent the risk of the operating that out of company's criteria. The company internal control has been overall satisfied. The company distributes publicly its financial statements and makes certain conclusions that the company is truly reliable on the operating performance indicating from the financial statements of the Company and its subsidiaries as at December 31, 2010.

The Board of Directors has appointed an Audit Committee consisting of independent team members to be responsible for the superiority of financial reporting, internal control and processes. The team members has cooperated with the auditors and with the approval of the Audit committee, this information is listed on the annual report 2010.



(Mr.Prapas Chutimavoraphand)

CHIEF EXECUTIVE OFFICER

24 February 2011

**10. Financial Status and Performance****10.1 Financial Statement****10.1.1 Summary of Auditor Report**

The Auditor Report for the Company's Financial Statement and Consolidated Financial Statement for the Company and its subsidiaries for the year 2008 and 2010, audited by Miss Prapasri Leelasupa of AMC Office Co., Ltd., with CPA No. 4664, suggested that the financial statement for each year accurately represented the financial status, business performance, and cash flows of the Company, and the consolidated financial status, consolidated business performance, and consolidated cash flows of the Company and its subsidiaries, according to the essence of the generally accepted accounting principles.

For the year 2009, the Audit Report for the Company's Financial Statement and the Consolidated Financial Statement for the Company and its subsidiaries, audited by Mr. Anusorn Kiatkungwalklai of ASV & Associates Co., Ltd. with CPA No. 2109, suggested that the financial status, business performance, and cash flows of the Company, and the consolidated financial status, consolidated business performance, and consolidated cash flows of the Company and its subsidiaries, were accurate according to the essence of the generally accepted accounting principles.



10.1.2 Summary of Financial Statement

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS

For the year ended December 31, 2008 to December 31, 2010

Unit : Thousand Baht

Balance Sheets	Audited					
	2008	%	2009	%	2010	%
Assets						
Cash and cash equivalent items	51,264	2.33	37,723	1.67	56,994	2.37
Trade accounts receivable-net	188,283	8.55	125,730	5.57	235,695	9.80
Current portion of long-term investment	923	0.04	503	0.02	750	0.03
Inventories	394,750	17.93	328,281	14.53	269,819	11.22
Real estate development cost	28,167	1.28	41,824	1.85	40,759	1.69
Other current assets	8,911	0.40	13,350	0.59	14,063	0.58
Total current assets	672,298	30.53	547,411	24.23	618,080	25.70
Non-current assets						
Investments in subsidiary companies	-	-	-	-	-	-
Long-term loan	5,915	0.27	7,172	0.32	2,965	0.12
Property, plant and equipment-net	1,522,441	69.14	1,704,294	75.44	1,783,026	74.14
Other non-current assets	1,185	0.05	252	0.01	759	0.03
Total non-current assets	1,529,541	69.47	1,711,718	75.77	1,786,750	74.30
Total assets	2,201,839	100.00	2,259,129	100.00	2,404,830	100.00



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (CONT.)

For the year ended December 31, 2008 to December 31, 2010

Unit : Thousand Baht

Balance Sheets	Audited					
	2008	%	2009	%	2010	%
<u>Liabilities</u>						
Overdrafts and Short-term loans from financial institutions	344,355	15.64	328,299	14.53	457,281	19.02
Trade accounts payable	31,480	1.43	6,408	0.28	65,340	2.72
Short-term loans from other persons	5,000	-	58,000	2.57	-	-
Current portion of long-term loans	64,500	2.93	60,000	2.66	60,000	2.49
Accrued income tax payable	25,986	1.18	12,622	0.56	22,648	0.94
Accrued discounts payable	18,530	0.84	17,207	0.76	21,560	0.90
Payable for assets	6,776	0.31	3,033	0.13	1,767	0.07
Other current liabilities	32,895	1.49	26,280	1.16	37,474	1.56
Total current liabilities	529,522	24.05	511,849	22.66	666,070	27.70
Long-term loans	220,500	10.01	228,904	10.13	206,000	8.57
Deposit received from warehouse and land rental	5,030	0.23	6,868	0.30	2,523	0.10
Other non-current liabilities	52	0.00	57	0.00	760	0.03
Total non-current liabilities	225,582	10.25	235,829	10.44	209,283	8.70
Total liabilities	755,104	34.29	747,678	33.10	875,353	36.40
<u>Shareholders' equity</u>						
Authorized share capital	120,000	5.45	132,000	5.84	132,000	5.49
Issued and paid-up share capital	120,000	5.45	132,000	5.84	132,000	5.49
Differences on revaluation of assets-the company	706,884	32.10	664,634	29.42	633,570	26.35
Differences on revaluation of assets-subsiary companies	39,120	1.78	32,804	1.45	26,488	1.10
Differences on change in fair value of investment	(3,363)	(0.15)	(2,393)	(0.11)	(2,112)	(0.09)
Differences on the changes in shareholding ratio in subsidiary co	16,293	0.74	21,966	0.97	19,999	0.83
Retained earnings						
Appropriated : Legal reserve	12,000	0.54	13,200	0.58	13,200	0.55
Unappropriated	466,698	21.20	561,506	24.85	627,626	26.10
Total shareholders' equity of the company	1,357,632	61.66	1,423,717	63.02	1,450,771	60.33
Minority shareholders' equity	89,103	4.05	87,734	3.88	78,706	3.27
Total shareholders' equity	1,446,735	65.71	1,511,451	66.90	1,529,477	63.60
Total liabilities and shareholders' equity	2,201,839	100.00	2,259,129	100.00	2,404,830	100.00



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE BALANCE SHEETS
For the year ended December 31, 2008 to December 31, 2010

Unit : Thousand Baht

Balance Sheets	Audited					
	2008	%	2009	%	2010	%
Current assets						
Cash and cash equivalent items	7,177	0.48	2,787	0.18	4,412	0.31
Trade accounts receivable-net	4,129	0.27	6,599	0.42	15,877	1.11
Current portion of long-term investment	924	0.06	503	0.03	-	-
Short-term loans to related parties	96,000	6.36	-	-	19,000	1.33
Real estate development cost	19,133	1.27	34,663	2.23	34,673	2.43
Other current assets	1,791	0.12	1,851	0.12	1,435	0.10
Total current assets	129,154	8.55	46,403	2.99	75,397	5.28
Non-current assets						
Investments in subsidiary companies	506,176	33.52	706,176	45.46	508,543	35.61
Long-term loan to related parties	-	-	-	-	73,000	5.11
Long-term investments	4,987	0.33	6,242	0.40	2,523	0.18
Property, plant and equipment-net	869,525	57.59	794,692	51.15	768,615	53.82
Other non-current assets	19	0.00	21	0.00	22	0.00
Total non-current assets	1,380,707	91.45	1,507,131	97.01	1,352,703	94.72
Total assets	1,509,861	100.00	1,553,534	100.00	1,428,100	100.00



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE BALANCE SHEETS (CONT.)
For the year ended December 31,2008 to December 31, 2010

Unit : Thousand Baht

Balance Sheets	Audited					
	2008	%	2009	%	2010	%
<u>Liabilities</u>						
Overdraft and Short-term loans from financial institutions	-	-	59,000	3.80	34,000	2.38
Trade accounts payable	936	0.06	298	0.02	241	0.02
Trade accounts payable - related parties	1,715	0.11	1,001	0.06	-	-
Short-term loans from related parties	4,000	0.26	10,000	0.64	-	-
Current portion of long-term loans	60,000	3.97	60,000	3.86	20,000	1.40
Accrued income tax payable	853	0.06	3,588	0.23	1,846	0.13
Accrued discounts payable	18,530	1.23	17,207	1.11	21,560	1.51
Other current liabilities	12,325	0.82	5,903	0.38	6,244	0.44
Total current liabilities	98,359	6.51	156,997	10.11	83,891	5.87
Long-term loans from related parties	37,000	2.45	65,000	4.18	35,000	2.45
Long-term loans from financial institutions	180,000	11.92	120,000	7.72	-	-
Deposit received from warehouse and land rental	9,532	0.63	11,923	0.77	8,258	0.58
Total non-current liabilities	226,532	15.00	196,923	12.68	43,258	3.03
Total liabilities	324,891	21.52	353,920	22.78	127,149	8.90
<u>Shareholders' equity</u>						
Authorized share capital	120,000	7.95	132,000	8.50	132,000	9.24
Issued and paid-up share capital	120,000	7.95	132,000	8.50	132,000	9.24
Differences on revaluation of assets-the company	706,884	46.82	664,634	42.78	633,570	44.36
Differences on change in fair value of investment	(3,363)	(0.22)	(2,393)	(0.15)	(2,112)	(0.15)
Retained earnings						
Appropriated : Legal reserve	12,000	0.79	13,200	0.85	13,200	0.92
Unappropriated	349,449	23.14	392,173	25.24	524,293	36.71
Total shareholders' equity of the company	1,184,970	78.48	1,199,614	77.22	1,300,951	91.10
Total shareholders' equity	1,184,970	78.48	1,199,614	77.22	1,300,951	91.10
Total liabilities and shareholders' equity	1,509,861	100.00	1,553,534	100.00	1,428,100	100.00



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

For the year ended December 31, 2008 to December 31, 2010

Unit : Thousand Baht

Statements of Income	Audited					
	2008	%	2009	%	2010	%
Revenues from operations						
Revenue from services	167,402	11.98	181,195	13.78	112,992	6.22
Revenue from real estate activities	15,099	1.08	42,770	3.25	2,265	0.12
Revenue from sales	1,214,762	60.45	1,090,950	82.97	1,700,486	93.65
Total revenues from operations	1,397,263	100.00	1,314,915	100.00	1,815,743	100.00
Cost from operations						
Cost of services	55,586	3.98	69,212	5.26	60,634	3.34
Cost of real estate activities	9,670	0.69	26,881	2.04	1,605	0.09
Cost of sales	1,072,991	76.79	937,607	71.31	1,517,704	83.59
Total cost from operations	1,138,247	81.46	1,033,700	78.61	1,579,943	87.01
Gross profit	259,016	18.54	281,215	21.39	235,800	12.99
Gain from Exchange rate	19,037	1.36	1,685	0.13	4,326	0.24
Gain from disposal investment	63,742	4.56	-	0.00	-	-
Dividend income	-	-	61	-	53	0.00
Other income	15,729	1.13	10,734	0.82	12,921	0.71
Selling expenses	(24,085)	(1.72)	(23,188)	(1.76)	(23,853)	(1.31)
Administrative expenses	(40,466)	(2.90)	(62,216)	(4.73)	(61,301)	(3.38)
Executives' remuneration	(16,304)	(1.17)	(31,367)	(2.39)	(32,800)	(1.81)
Financial cost	(35,202)	(2.52)	(21,912)	(1.67)	(27,330)	(1.51)
Profit before income tax	241,467	17.28	155,012	11.79	107,816	5.94
Income tax	(48,443)	(3.47)	(47,811)	(3.64)	(45,301)	(2.49)
Profit for the year	193,024	13.81	107,201	8.15	62,515	3.44
PROFIT (LOSS) ATTRIBUTABLE TO:						
SHAREHOLDERS OF THE COMPANY	181,774	13.01	98,638	7.50	66,120	3.64
PROFIT (LOSS) NET FROM SUSIDIARIES COMPANY						-
BEFORE ADDITIONAL SHARE	-	0.00	-	-	-	
MINORITY SHAREHOLDERS	11,251	0.81	8,563	0.65	(3,605)	(0.20)
Profit for the year	193,025	13.81	107,201	8.15	62,515	3.44
EARNINGS PER SHARE OF SHAREHOLDERS OF COMPAN	1.51		0.75		0.50	
NUMBER OF ORDINARY SHARES (UNIT : SHARES)	120,000		132,000		132,000	



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
Separate Statements of Income
For the year ended December 31, 2008 to December 31, 2010

Unit : Thousand Baht

Statements of income	Audited					
	2008	%	2009	%	2010	%
Revenues from operations						
Revenue from services	121,396	95.50	143,777	78.51	116,993	99.30
Revenue from real estate activities	5,724	4.50	39,357	21.49	820	0.70
Total revenues from operations	127,120	100.00	183,134	100.00	117,813	100.00
Cost from operations						
Cost of services	50,960	40.09	51,321	28.02	40,955	34.76
Cost of real estate activities	3,560	2.80	24,629	13.45	530	0.45
Total cost from operations	54,520	42.89	75,950	41.47	41,485	35.21
Gross profit	72,600	57.11	107,184	58.53	76,328	64.79
Gain from disposal investment	63,246	49.75	-	-	-	-
Dividend income			702	0.38	93,889	79.69
Other income	20,240	15.92	8,947	4.89	10,738	9.11
Selling expenses	(451)	(0.35)	(1,557)	(0.85)	(325)	(0.28)
Administrative expenses	(22,435)	(17.65)	(22,784)	(12.44)	(14,278)	(12.12)
Executives' remuneration	(5,720)	(4.50)	(17,208)	(9.40)	(13,826)	(11.74)
Financial cost	(14,868)	(11.70)	(10,670)	(5.83)	(5,594)	(4.75)
Profit before income tax	112,612	88.59	64,614	35.28	146,932	124.72
Income tax	(9,835)	(7.74)	(18,062)	(9.86)	(14,812)	(12.57)
Profit for the year	102,777	80.85	46,552	25.42	132,120	112.14
EARNINGS PER SHARE OF SHAREHOLDERS OF COMPANY	0.86		0.35		1.00	
NUMBER OF ORDINARY SHARES (UNIT : SHARES)	120,000		132,000		132,000	



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOW

For the year ended December 31, 2008 to December 31, 2010

Unit : Thousand Baht

Descriptions	audited		
	2008	2009	2010
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Profit before income tax	241,468	155,012	107,816
Reconciliations of net profit to net cash provided by (used in) operating activities :			
Dividend income		(61)	(53)
Amortization of premium on bonds	9	9	3
Loss from the cost of goods exceeding net realizable value	-	-	2,556
Doubtful debt (reversal)	(129)	7,775	(1,240)
Depreciation	44,333	44,828	63,246
(Gain) Loss from disposed and demolished assets	(1,766)	12,633	318
Loss from impariment of assets	3,112	-	-
Profits from debt consolidation	(1,064)	-	-
Loss from disposal investment	(63,742)	-	-
Unrealized loss on exchange rate		59	1
Loss from unclaimed withholding	163	-	-
Perceived difference from the purchase of the subsidiary's interest	(1,769)	-	-
Interest expenses	33,616	21,178	26,303
Profit from operation before changes in operating assets and liabilities	254,231	241,433	198,950
<u>Operating assets (increase) decrease</u>			
Trade accounts receivable	(139,976)	53,174	(108,725)
Inventories	(370,825)	66,470	55,906
Real estate development cost	(9,402)	19,311	1,066
Other current assets	(1,266)	(4,439)	583
Other non-current assets	1,276	934	(507)
<u>Operating liabilities increase (decrease)</u>			
Trade accounts payable	28,821	(25,132)	58,931
Accrued discounts payable	(4,878)	(1,323)	4,353
Other current liabilities	10,497	(967)	11,165
Deposit received from warehouse and land rental	(1,115)	(4,303)	(4,345)
Other non-current liabilities	1	6	703
Cash provided (paid) from operating activities	(232,636)	345,164	218,080
Interest paid	(33,614)	(21,221)	(29,184)
Income tax paid	(27,255)	(61,175)	(36,572)
Net cash received from operating activities	(293,505)	262,768	152,324



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOW (CONT.)

For the year ended December 31, 2008 to December 31, 2010

Unit : Thousand Baht

Descriptions	Audited		
	2008	2009	2010
CASH FLOW FROM INVESTING ACTIVITIES			
Cash paid for additional investment in short-term investments	(8,215)	-	-
Cash received from disposal of short-term investments	10,400	-	-
Cash paid to purchase investments in subsidiary companies	(1,205)	-	-
Cash paid for additional investment in related parties	(8,736)	-	-
Cash received from dividend	-	61	53
Cash received for disposal of investments in related parties	97,787	-	-
Cash received from redemption of long-term investments	-	126	4,500
Cash paid for additional investment in long-term investments	-	-	(263)
Cash paid to purchase fixed assets	(102,199)	(316,407)	(180,263)
Cash received from disposal of asset	1,883	757	1,362
Net cash received from (used in) from investing activities	(10,285)	(315,463)	(174,611)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase (Decrease) in short-term loan from financial institutions	291,077	(16,057)	128,982
Increase (Decrease) in short-term loan from other parties	5,000	53,000	(58,000)
Paid for payable from assets purchased	(20,586)	-	(3,033)
Received from long-term loan from financial institutions	45,000	108,904	177,096
Paid for long-term loan from financial institutions	(40,000)	(105,000)	(200,000)
Paid for withholding tax incurred from payment of dividend stock	-	(1,333)	-
Cash payment of dividends minority's shareholders	-	(359)	(1,121)
Payment to minority's shareholder from capital reduction	-	-	(2,367)
Increase in minority's shareholder	9,270	-	-
Net cash received from (used in) from financing activities	289,761	39,155	41,557
Cash and cash equivalent items increase (decrease)-net	(14,029)	(13,540)	19,270
Cash and cash equivalents items at the beginning of the year	65,293	51,264	37,724
Cash and cash equivalents items at the end of the year	51,264	37,724	56,994



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CASH FLOW
For the year ended December 31,2008 to December 31, 2010

Unit : Thousand Baht

Descriptions	Audited		
	2008	2009	2010
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Profit before income tax	112,610	64,614	146,933
Reconciliations of net profit to net cash provided by (used in)			
operating activities :			
Dividend income	-	(702)	(93,890)
Amortization of premium on bonds	10	10	3
Doubtful debt (reversal)	(2,270)	-	-
Depreciation	8,936	5,143	6,218
(Gain) Loss from disposal and demolished assets	(1,766)	12,071	(743)
Loss From impairment of assets	2,830	-	-
Gain from disposal investment	(63,246)	-	-
Interest expenses	14,811	10,671	5,594
Profit from operation before changes in operating assets and liabilities	71,915	91,807	64,115
<u>Operating assets (increase) decrease</u>			
Trade accounts receivable	6,601	(2,469)	(9,278)
Real estate development cost	(10,092)	17,040	(9)
Other current assets	(558)	(60)	416
Other non-current assets	-	(2)	(1)
<u>Operating liabilities increase (decrease)</u>			
Trade accounts payable	2,262	(1,353)	(1,058)
Accrued discounts payable	(4,878)	(1,323)	4,353
Other current liabilities	2,329	166	447
Deposit received from warehouse and land rental	1,810	(4,230)	(3,666)
Cash provided (paid) from operating activities	69,389	99,576	55,319
Interest paid	(14,800)	(10,637)	(5,700)
Income tax paid	(9,368)	(15,327)	(16,554)
Net cash received from operating activities	45,221	73,612	33,065



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CASH FLOW (CONT.)
For the year ended December 31, 2008 to December 31, 2010

Unit : Thousand Baht

Descriptions	Audited		
	2008	2009	2010
CASH FLOW FROM INVESTING ACTIVITIES			
(Increase) Decrease in short-term loan to related parties		96,000	(19,000)
Cash received from disposal of short-term investments	8,336	-	-
Cash paid for additional investment in short-term investments	(8,215)	-	-
Cash received from capital reduction in subsidiary company		-	197,633
Cash paid to purchase investments in subsidiary companies	(38,617)	(200,000)	-
Cash paid for additional investment in related parties	(8,736)	-	-
Cash received from dividend	-	702.00	93,889
Cash received for disposal of investments in related parties	97,787	-	-
Cash received from redemption of long-term investments	-	126	4,500
Cash paid from long-term loan to related parties	(110,000)	-	(73,000)
Cash received from long-term loan to related parties	14,000	-	-
Cash paid to purchase fixed assets	(11,078)	(6,707)	(11,205)
Cash received from disposal of fixed assets	1,883	210	743
Net cash received from (used in) from investing activities	(54,640)	(109,669)	193,560
CASH FLOW FROM FINANCING ACTIVITIES			
Increase (Decrease) in short-term loan from financial institutions	-	59,000	(25,000)
Increase (Decrease) in short-term loan from subsidiaries and related parties	4,000	(4,000)	(10,000)
Received from long-term loan from financial institutions	-	-	-
Paid for long-term loan from financial institutions	(40,000)	(60,000)	(160,000)
Increase (Decrease) in short-term loan from subsidiaries and related parties	36,000	38,000	(30,000)
Paid for withholding tax incurred from payment of dividend stock		(1,333)	-
Net cash received from (used in) from financing activities	-	31,667	(225,000)
Cash and cash equivalent items increase (decrease)-net	(9,419)	(4,390)	1,625
Cash and cash equivalents items at the beginning of the year	16,596	7,177	2,787
Cash and cash equivalents items at the end of the year	7,177	2,787	4,412



10.1.3 Keys Financial Ratio

Consolidation Financial Ratio	Units	2008	2009	2010
Liquidity Ratio				
Current Ratio	Times	1.27	1.07	0.93
Quick Ratio	Times	0.49	0.34	0.45
Cash Flow Liquidity Ratio	Times	(0.84)	0.51	0.30
Account Receivable Ratio	Times	11.87	8.10	10.04
Average Collection Period	Days	30.34	44.43	35.97
Inventory Turnover	Times	5.80	3.02	5.69
Holding Period	Days	62.04	119.30	63.49
Account Payable Ratio	Times	6.38	4.08	9.58
Account Payble period	Days	56.39	88.33	37.70
Cash Conversion Cycle	Days	35.99	75.39	61.76
Profitability Ratio				
Gross Profit Margin	%	18.54	21.39	12.99
Operating Profit Margin	%	14.24	13.32	7.37
Other Profit Margin	%	4.26	0.01	0.01
Cash on Profit Ratio	%	(1.06)	1.49	1.13
Net Profit Margin	%	12.90	8.08	3.41
Return On Equity	%	15.34	7.25	4.11
Effeciency Ratio				
Return On Asset	%	10.47	4.81	2.68
Return On Fixed Assets	%	15.59	8.92	7.05
Assets Turnover	Times	0.68	0.59	0.76
Financial Ratio				
Debt/Equity Ratio	Times	0.52	0.49	0.57
Interest Coverage Ratio	Times	8.18	8.39	5.18
Earning per share of shareholders of Company	Baht	1.51	0.75	0.50
Book value per shares	Baht	12.06	11.45	11.59



Separate Financial Ratio	Units	Audited		
		2008	2009	2010
<u>Liquidity Ratio</u>				
Current Ratio	Times	1.31	0.30	0.90
Quick Ratio	Times	1.11	0.07	0.48
Cash Flows Liquidity Ratio	Times	0.51	0.58	0.27
Account Receivable Ratio	Times	22.50	26.80	10.41
Average Collection Period	Days	16.00	13.43	34.58
Account Payable Ratio	Times	15.59	15.42	27.30
Account Payble period	Days	23.09	23.34	13.18
Cash Conversion Cycle	Days	(7.09)	(9.91)	21.40
<u>Profitability Ratio</u>				
Gross Profit Margin	%	48.95	58.53	64.79
Operating Profit Margin	%	30.47	38.69	26.36
Other Profit Margin	%	30.03	0.36	42.21
Cash on Profit Ratio	%	0.70	0.99	0.56
Net Profit Margin	%	48.80	24.15	59.40
Return On Equity	%	9.67	3.90	10.57
<u>Effeciency Ratio</u>				
Return On Asset	%	7.41	3.04	8.86
Return On Fixed Assets	%	12.85	6.51	18.00
Assets Turnover	Times	0.14	0.12	0.16
<u>Financial Ratio</u>				
Debt/Equity Ratio	Times	0.27	0.30	0.10
Interest Coverage Ratio	Times	8.60	6.06	26.27
Earning per shares	Baht	0.86	0.35	1.00
Book value per shares	Baht	9.87	9.09	9.86



10.2 Explanation and Analysis of Financial Status and Business Performance

10.2.1 Overview of Recent Performance

In the past 3 years, the Company's revenue grew from 1,495.77 million baht in 2008 up to 1,833.04 million baht in 2010, equivalent to the compound annual growth rate (CAGR) of 10.70% per annum. This resulted from the investment in new business, namely palm oil production, which started in the second quarter of the year 2010, and became the main growth engine for the Company's revenue at present.

Therefore, in the year 2010 the revenue structure of the Company has changed as compared to the previous year. The total revenue of 1,833.04 million baht consisted of revenue from sales of wheat flour of 898.60 million baht, or equivalent to 49.02%, revenue from sales of palm oil of 780.37 million baht, or 42.57%, revenue from transfer and service fees of 58.38 million baht, or 3.18%, revenue from depository service of 25.44 million baht, or 1.39%, revenue from warehouse rental of 21.50 million baht, or 1.17%, revenue from sales of plastic sacks of 21.51 million baht, or 1.17%, revenue from room rental of 7.68 million baht, or 0.42%, revenue from sales of real estate of 2.26 million baht, or 0.12%, and other revenues of 17.30 million baht, or 0.94%, making the total revenue in the year 2010, as compared to the year 2009, increase by 505.65 million baht, or an increase of 38.09%. However, when considering the net profit of the year 2010 as compared to that of 2009, it turned out that the Company's net profit decreased from 98.64 million baht in the year 2009, to 66.12 million baht in the year 2010, a reduction of 32.52 million baht, or equivalent to 32.97%. The main factors contributing to the reduction of net profit consisted of 3 factors. First, the volume of goods requested the service, either transfer or depository service, was down from the previous year. This was due to a lower overall volume of sugar produced in the country. Secondly, revenue from sales of real estate was also down from the previous year. This was due to the fact that the Company sold out the Bang Chang Pattana Project since January 2010, there remained some part of the Baan Klong Mai Project, and the palm oil production business that were in the machinery testing period, while expecting to earn revenue from June 2010 onwards. The last factor was the current situation of raw materials, especially a shortage of raw palm oil, making the production capacity was not yet running at full efficiency. Nevertheless, the Company and its subsidiaries have tried to set up an operational plan so that the Company can run efficiently with maximized profits in the future.

10.2.2 Analysis of Business Performance

Unit: Thousand baht

classified by business type	Amount	%	Amount	%	Amount	%
Service Business						
Transfer and Service Business	71,460	4.78	80,162	6.04	58,375	3.18
Depository Business	61,122	4.09	68,690	5.17	25,440	1.39
Warehouse Rental Business	27,962	1.87	26,150	1.97	21,500	1.17
Apartment Rental Business	6,858	0.46	6,193	0.47	7,677	0.42
Total of Service Business	167,402	11.19	181,195	13.65	112,992	6.16
Sale of Goods Business						
Wheat Flour Factory Business	1,214,762	81.21	1,063,197	80.10	898,604	49.02
Palm Oil Factory Business	-	-	-	-	780,372	42.57
Plastic Sack Factory Business	-	-	27,753	2.09	21,510	1.17
Total of Sale of Goods Business	1,214,762	81.21	1,090,950	82.19	1,700,486	92.77
Sale of Real Estate Business	15,099	1.01	42,770	3.22	2,265	0.12
Other Revenues						
Interest Received	656	0.04	562	0.04	537	0.03
Profits from Foreign Exchange	19,037	1.27	1,685	0.13	4,326	0.24
Profits from Disposal of Investment	63,742	4.26	-	-	-	-
Other Revenue	15,073	1.01	10,233	0.77	12,437	0.68
Total Other Revenues	98,508	6.59	12,480	0.94	17,300	0.94
Total Revenues	1,495,771	100.00	1,327,395	100.00	1,833,043	100.00

Note: Already deducted inter-company items.

The Company and its subsidiaries have revenue from 3 groups of businesses, namely service business, trade business, and real estate business:

1. Service business includes transfer of goods and services, depository service, warehouse rental, and room rental.
2. Trade business includes wheat flour factory, palm oil refinery factory, and plastic sack factory.
3. Real estate business

Transfer of Goods and Services

Table below shows the export volume of main goods

Unit: Metric ton

Export Volume	2008	2009	2010
Raw sugar (BULK)	488,214.02	413,857.46	200,057.51
Raw sugar (BAG)	4.75	-	-
White sugar	87,691.25	195,487.95	168,247.35
Total sugar	575,910.02	609,345.41	368,304.86
Molasses	194,873.35	121,693.67	105,333.89
Total Exports	770,783.37	731,039.08	473,638.75

The business of goods and services transfer depends on the total volume of sugar produced in the country. As of the year 2010, sugar produce decreased from the year 2009, making the volume of goods requested services lower than the previous year. And coupled with the world price of oil getting higher, this makes sugar factories struggle for cost reduction methods. Some sugar factories build their own storage building. Some transport goods by having container trucks come to factories directly, and delivered the goods to ships anchored at deep sea ports on the eastern coast more directly so as to save time and expenses. As for molasses, sugar factories produce ethanol out of it. As ethanol is an ingredient in Gasohol, the volume of molasses for export was less than the previous years. With the aforementioned reasons, it indicates that warehouses located in Samut Prakarn Province and nearby provinces will face intense competition.

From the table, it is shown that the export volume of sugar in 2008 was 5.75 hundred thousand tons, 6.09 hundred thousand tons in 2009, and 3.68 hundred thousand tons in 2010. By comparing these 3 consecutive years, it is found that in 2010 the export volume of sugar was less than that of 2009 by 2.41 hundred thousand tons, or a decrease of 39.56%, and a reduction from 2008 of 2.08 hundred thousand tons, or a decrease of 36.05%. The export volume of molasses in 2008 amounted to 1.94 hundred thousand tons, 1.22 hundred thousand tons in 2009, and 1.05 hundred thousand tons in 2010. By comparing these 3 years, it is shown that in 2010 the export volume of molasses decreased from that of 2009 by 0.16 hundred thousand tons, or a decrease of 13.44%, and less than that of 2008 by 0.89 hundred thousand tons, or equivalent to 45.96%. Thus, in 2010 the Company obtained revenue from transfer of goods and service totaling of 58.38 million baht, while it received 80.16 million baht in 2009, and 71.46 million baht in 2008. By comparing these 3 years, it is shown that revenue from this source decreased from that of 2009 by 21.79 million baht, or equivalent to 27.18%, and decreased from that of 2008 by 13.08 million baht, or 18.30%.

Depository Service

Table below shows the volume of main goods requesting service

Unit: Metric ton

Volume of goods requesting service	2008	2009	2010
Raw sugar (BULK)	507,410.060	402,165.850	181,942.510
Raw sugar (BAG)	-	-	-
White sugar	94,641.200	273,757.800	196,698.400
Total sugar	602,051.260	675,923.650	378,640.910
Molasses	172,818.040	119,249.880	110,029.490
Total goods requesting service	774,869.300	795,173.530	488,670.400

Depository Service depends on the overall volume of sugar produced in the country as well. And from the aforementioned reasons for the transfer of goods and services, it is shown that the volume of sugar requesting service for the year 2010 was 3.79 hundred thousand tons, 6.76 hundred thousand tons in 2009, and 6.02 hundred thousand tons in 2008. By comparing these 3 years, it is indicated that in 2010 the volume of sugar requesting service reduced from that of 2009 by 2.97 hundred thousand tons, or equivalent to 43.98%, and by 2.23 hundred thousand tons from that of 2008, or equivalent to 37.11%. The volume of molasses requesting service in the year 2010 amounted to 1.10 hundred thousand tons, 1.19 hundred thousand tons in 2009, and 1.72 hundred thousand tons in 2008. By comparing these 3 years, it is shown that the volume of molasses requesting service in 2010 decreased from that of 2009 by 0.09 hundred thousand tons, or equivalent to 7.73%, and from that of 2008 by 0.62 hundred thousand tons, or 36.33%. Hence, in 2010 the Company obtained revenue from depository service totaling of 25.44 million baht, while it received 68.69 million baht in 2009, and 61.12 million baht in 2008. By comparing these 3 years, it is shown that revenue from this source decreased from that of 2009 by 43.25 million baht, or equivalent to 62.96%, and decreased from that of 2008 by 35.68 million baht, or 58.38%.

Warehouse Rental Business

Volume of service during the recent years

Service Type	2008	2009	2010
Space for warehouse renting (sq.m ²)	60,070	49,717	49,717
Space serviced (%)	89.60	93.74	73.68

Notes: Warehouse space available for rent in 2009 and 2010 decreased from that of 2008 because T S OIL INDUSTRY CO., LTD. (subsidiary) rented to build 6 oil refinery plants and palm oil storage building, with space totaling of 10,353 square meters.

Bulk Warehouse	2008	2009	2010
Overall capacity for depository storage (metric tons)	165,000	165,000	165,000
Average space used (%)	66.25	69.76	48.84

Note: Raw sugar rented space for the year 2010 less than that of 2009.



For the year 2010, the Company had 27 warehouses available for rent, with total space of 49,717 square meters, and 4 bulk warehouses with available space of 22,458 square meters. 3 Molasses containers had a total capacity of 34,000 tons. From the Profit and Loss Statement which deducted inter-company items in the year 2010, the Company obtained revenue from warehouse rental of 21.50 million baht, 26.15 million baht in 2009, and 27.96 million baht in 2008. It is clearly seen that in 2010 the Company's revenue from warehouse rental decreased from that of 2009 and 2008. This is due to the Company let both warehouse and bulk warehouse types to its subsidiaries for depositing sugar produce awaiting delivery to foreign clients, as well as to run their own businesses such as wheat flour factory, sack weaving factory, and palm oil factory. This resulted in a reduction in other corporate clients renting warehouses as compared to the previous years.

Room Rental Business

The Company owns a 262-room building, located in Soi Erawan Sing Thor, Phuchao-Samingphray Road, Samrongtai Sub-district, Phrapadaeng District, Samut Prakarn Province, for general letting. For the year 2010, the number of rooms taken was on average 230 rooms, or equivalent to 87.79%, an increase of 20 rooms, or 10% from that of the previous year. The Company also owns a 45-room building, located in Soi Siam Silo, Phuchao-Samingphray Road, Samrongtai Sub-district, Phrapadaeng District, Samut Prakarn. For the year 2010, 31 rooms were taken on average, or equivalent to 71.11% equal to that of the previous year.

As the room rental rate for the year 2010 increased, the Company gained more revenue from rent amounting to 7.68 million baht, an increase of 1.48 and 0.82 million baht from that of 2009 and 2008, or equivalent to 23.96% and 11.94%, respectively.

Wheat Flour Factory Business

The Company sells wheat flour to industrial entrepreneurs producing bread, fresh noodles, instant noodles, and retail entrepreneurs producing bakery, cookies, snacks, and pastries. The Company also sells some of byproducts such as wheat bran to the animal feed industry.

In 2010, the Company produced and sold at full capacity. It sold 50,163 tons of wheat flour, or equivalent to 2,229,450 sacks, and wheat bran of 15,288 tons. While in 2009 the Company sold 57,689 tons of wheat flour, or equivalent to 2,563,955 sacks, and wheat bran of 16,153 tons. Comparing both years, the volume sold in 2010 decreased by 13% from that of 2009. In money terms, the revenue from wheat flour sales in 2010 amounted to 898.60 million baht, equivalent to 49.02% of the total revenue, or a decrease of 164.59 million baht, or 15.48%, from the wheat flour sales in 2009, which was recorded at 1,063.20 million baht. Despite volume reduction, the net profit for 2010, as compared with the previous year, increased by 23.39 million baht, or an increase of 60.76%. This was attributed to a cost control plan set up by the Company that ensured the lowest raw wheat cost, as well as a production plan consistent with the marketing plan that focused on products with profitability.

Palm Oil Factor Business

For the year 2010, the Company was in the period of machinery testing, and started to earn revenue from June 2010 onwards. The Company focused on targeted customers, especially those in food and alternative energy industries. The current market situation of palm oil shortage affected the raw material arrangement in time for production. Thus, in 2010 the Company could not produce at its full capacity, resulting in a total volume sale of 26,182 tons at the average capacity utilization of 43%, and sales of 780.38 million baht. However, the Company tried to set an operational plan so as to maximize efficiency and profitability in the future.



Real Estate Business

The Company allocated a piece of land of 4 rai 1 ngan 33 square wahs, in order to build commercial buildings and townhouses for sale. The land was located in Bangchang Sub-district, Samphran District, Nakorn Prathom Province. The property consisted of 25 units of 1-storey townhouse, and 20 units of 2-storey commercial building, with the approximate value of the project of 39 million baht. The project construction completed since 2009, and in the same year the Company was able to sell 24 units of townhouses and 20 units of commercial building, together amounting to 97.78% of the whole project. The Company sold the rest of the units by the year 2010.

A subsidiary bought a piece of land to build commercial buildings and townhouse for sale, located in Klongmai Sub-district, Samphran District, Nakorn Prathom Province. The property consisted of 20 units of 1-storey townhouse, and 17 units of 2-storey commercial building, with the approximate value of the project of 20 million baht. The project construction completed since 2008, and in 2009 the Company was able to sell 18 units of townhouses and 6 units of commercial building, together amounting to 64.87% of the whole project. In 2010 the Company sold the rest of the 2 remaining townhouse units and 1 unit of commercial building, together amounting to 27.03% of the whole project. Thus, there remains 10 units of commercial building left for sale.

Therefore, in 2010, the Company obtained revenue from the real estate business of 2.26 million baht, a decrease from the year 2009 by 40.51 million baht, or equivalent to 94.70%.

Gross Profit

For the year 2010, the Company had a gross profit of 235.80 million baht, while in 2009 and 2008 the gross profits amounted to 281.21 and 259.02 million baht, respectively. The 2010 gross profit decreased from that of 2009 by 45.41 million baht, or a decrease of 16.15%, and that of 2008 by 23.22 million baht, or a decrease of 8.96%. The reason for the reduction in gross profit in 2010 was reductions in the profit from transfer and depository service, and the sales of real estate by the amount of 15.23 million baht. Moreover, as the palm oil business was still in the phase of machinery testing, this made the Company unable to produce at the full capacity, while the Company's fixed expenses were high when considering the unit cost of produce. Therefore, the Company's gross profit for the year 2010 was affected and lower than that of 2009.

Net Profit

In 2010, the Company had a net profit of 66.12 million baht, while in 2009 and 2008 the net profits amounted to 98.64 and 181.77 million baht, respectively. The 2010 net profit decreased from that of 2009 by 32.52 million baht, or a decrease of 32.97%, and that of 2008 by 115.65 million baht, or a decrease of 63.62%.

Liquidity and Source of Funds

During the year 2008 – 2010, the Company had the liquidity ratio of 1.27, 1.07, and 0.93 times, respectively. The liquidity ratio for 2010 decreased from that of 2009 and 2008 because in 2010 the Company had current assets totaling of 618.08 million baht, consisting of cash and cash equivalent of 56.99 million baht, account receivables of 235.70 million baht, inventory of 269.82 million baht, real estate development cost of 40.76 million baht, other current assets of 14.06 million baht, and current liabilities of 666.07 million baht consisting of short-term loans from financial institutions of 457.28 million baht for the purchase of raw wheat, raw palm oil, and plastic granules from abroad, account payable of 65.34 million baht, and loans reaching maturity within 1 year of 60 million baht, and other current liabilities of 83.45 million baht. During 2008 – 2010, the Company had an average collection period of 30.34, 44.43, and 35.97 days, respectively. In 2010, the Company had a shorter average collection period than the previous year. During 2008 – 2010, the Company had an average payment period of 56.39, 88.33, and 37.70 days, respectively. The cash cycle for 2008 – 2010 was 35.99, 75.39, and 61.76 days, respectively, indicating that the Company had a better liquidity



position as compared with the previous year. However, the management team strictly controlled the issue of credits to customers and accelerated debt collection from debtors.

Cash Flows

Table: Summary of Cash Flows

Unit: Thousand baht

	2008	2009	2010
Net cash received (used in) from operational activities	(293,505)	262,768	152,324
Net cash received (used in) from investment activities	(10,285)	(315,463)	(174,611)
Net cash received (used in) from financing activities	289,761	39,155	41,557
Cash and cash equivalents – net increase (decrease)	(14,029)	(13,540)	19,270
Ending cash and cash equivalents	51,264	37,724	56,994

For the year 2010, the Company received cash from operational activities amounting to 152.32 million baht, expended in investment activities of 174.61 million baht, and received from financing activities of 41.56 million baht. The Company's net cash and cash equivalents increased by 19.27 million baht, resulting in the cash and cash equivalents at the end of the year 2010 amounting to 56.99 million baht. Cash expended in investment activities mostly came from the purchase of fixed assets such as machinery used in palm oil production, construction of palm oil factory, vehicles and other equipments. Cash received from financing activities mainly came from short-term loans from financial institutions for the purchase of raw materials to be used in wheat flour business, palm oil production, and plastic sack production business.

Source of Funds

For the year 2010, the Company and its subsidiaries had an available overdraft limit of 90 million baht, while the limit of short-term loans from financial institutions was of 495 million baht, of which a sum of 327 had been already disbursed. The objective of the loan disbursement was to purchase raw wheat, raw palm oil, and plastic granules. Then, the remaining short-term loans amounted to 168 million baht. The Company and its subsidiaries had a long-term loan limit from a financial institution of 680 million baht, of which 566 million baht had been disbursed. Such disbursement was divided into various uses. First, the Company used a sum of 280 million baht to increase capital in its subsidiaries in 2009, of which an amount of 260 million baht was paid back, and 20 million baht left remaining. Secondly, a subsidiary used a sum of 140 million baht for the reduction of capital, of which an amount of 40 million baht was paid back, and 100 million baht left remaining. Moreover, another subsidiary used a sum of 146 million baht for the purchase of machinery and equipment to be used in the production of palm oil and the construction of palm oil factory.

10.2.3 Financial Status

Assets

Total assets of the Company and its subsidiaries as of 31st December 2010 amounted to 2,404.83 million baht, an increase of 145.70 million baht, or an increase of 6.45%, as compared with the total assets of 2,259.13 million baht as of the end of 2009. The total assets are divided as follows:

Net Land, Buildings, and Equipments

As of 31st December 2010, the Company owned the net amount of land, buildings, and equipments amounting to 1,783.03 million baht, or equivalent to 74.14% of the total assets. It was an increase of 78.73 million baht, or an increase of 4.62% as compared to the amount at the end of 2009. As in 2010, a subsidiary was in the period of constructing a palm oil factory, resulting in an increase in the Company's assets to include the palm oil factory, machinery and other equipments employed in the palm oil production.

Inventory

As of 31st December 2010, the Company's inventory amounted to 269.82 million baht, or equivalent to 11.22% of the total assets. Such assets consisted of raw materials of 141.53 million baht, work-in-progress of 43.61 million baht, finished goods of 24.17 million baht, supplies of 3.33 million baht, and goods in transit of 59.72 million baht. The amount of inventory at the end of 2010 was reduced by 58.46 million baht, or equivalent to 17.81% as compared to that of 2009. This was due to the management team set up a plan for raw material procurement so that they were obtained in an adequate and reasonable manner, consistent with efficient production and distribution.

Account Receivables

Account Receivables and Notes Receivable - Net

Unit: Thousand baht

Item	2008	2009	2010
Account Receivables and Notes Receivable - due	128,374	102,189	126,672
Classified by Debt Maturity			
Less than 3 months	58,761	22,569	94,481
More than 3 months – 6 months	144	-	2,359
More than 6 months – 9 months	883	-	7,342
More than 9 months	2,262	10,888	13,517
Total	190,424	135,646	244,371
Deduct Allowance for Doubtful Debts	(2,141)	(9,916)	(8,676)
Net	188,283	125,730	235,695

As of 31st December 2010, the Company's account receivables amounted to 235.69 million baht, or equivalent to 9.80% of the total assets. When compared to that of 2009, the amount was increased by 109.96 million baht, or an increase of 87.46%. This was due to the fact that the subsidiary earned more revenue in part of the palm oil production business, resulting in an increase in account receivables as compared to that of the previous year.

Liabilities

Total liabilities of the Company and its subsidiaries as of 31st December 2010, amounted to 875.35 million baht, an increase of 127.67 million baht, or equivalent to an increase of 17.08%, as compared with the total liabilities of 744.68 million baht at the end of 2009. The total liabilities are divided as follows:

Short-term Loans from Financial Institutions

As of 31st December 2010, the Company's short-term loans from financial institutions amounted to 457.28 million baht, or equivalent to 19.02% of the total liabilities. It was an increase of 128.98 million baht, or an increase of 39.29% as compared to the amount at the end of 2009. As in 2010, T S FLOUR MILL PUBLIC CO., LTD. had borrowed from a financial institution in the form of trust receipts and promissory notes of 230.28 million baht to purchase raw wheat from abroad for wheat flour production. Moreover, T S OIL INDUSTRY CO., LTD. had borrowed promissory notes of 180 million baht to purchase raw palm oil for palm oil production. And, T S TRANSPORT AND LOGISTICS CO., LTD. had borrowed promissory notes of 13 million baht to purchase raw plastic granules for plastic sack production.

Long-term Loans from Financial Institutions

As of 31st December 2010, the Company's long-term loans from a financial institution amounted to 266 million baht, or equivalent to 11.06% of the total liabilities. The loans were divided into a long-term loan with 1-year maturity of 60 million baht, and a long-term loan of 206 million baht. It was a decrease of 22.90 million baht, or a decrease of 8.52% as compared to the amount of 288.90 million baht at the end of 2009. The reduction was due to the fact that, during the year 2010, the Company paid out the principal of 200 million baht, and the subsidiary had borrowed more to invest in the palm oil factory business of 146 million baht.

Shareholders' Equity

Shareholders' equity of the Company and its subsidiaries as of 31st December 2010 amounted to 1,529.48 million baht, an increase of 18.03 million baht, or equivalent to 1.19% as compared to the amount of 1,511.45 million baht at the end of 2009. The changes are as follows:

- An increase in net profits for the year installment ending 31st December 2010 of 62.52 million baht;
- An increase in unrealized gain from adjustments of investments in securities available for sale of 0.28 million baht;
- A decrease in the Minority Interest of 3.49 million baht;
- A decrease in capital surplus of 41.28 million baht.

Factors Affecting Future Performance**Warehouse Business****(1) Transportation**

The Company is located on the Chao Phraya Riverbank, in Samut Prakarn Province, which is the river outlet to Gulf of Thailand. At present, the construction of roads and bridge connection helps the transportation from one region to another become more convenient and faster. For example, Kanchanaphisek Road, Rama II Road, Industrial Ring Road Bridge, Burabhavithi Express Way, and others connecting routes from northern provinces including Nakhon Sawan, Phitsanulok, Sukhothai, Chiang Mai, Lamphun, Lampang, Chiang Rai; northeastern provinces including Nakhon Ratchasima, Ubon Ratchathani, Udon Thani; central provinces including Ayutthaya, Ang Thong, and Suphanburi; going to the South via Rama II Road as the main route, or going to the East via Burabhavithi Express Way, or through Samut Prakarn Province using Industrial Ring Road. As mentioned above, the transportation from one region to another has become more convenient, faster, and saved more energy than in the past. Therefore, the transportation of goods to warehouse awaiting for sea-freight delivery has become more convenient accordingly. Moreover, with a good location of the Company as a connecting point between land transportation and sea ports makes the Company a better advantage for the service provided to a wider customer.

(2) Government Policy

Since the Port Authority of Thailand (PAT) has a project to close Klong Toey Port, which is a large housing community in Bangkok, so as to send freighters to dock in order to transfer goods at the Deepwater Port of Sriracha or Laem Chabang instead. While the freight business is expanding, but PAT does not yet announce a well-defined policy and clear duration that will affect those habitants in the neighborhood areas. The possible impacts include sound pollution, dust, traffic, and exhaust emitted from trucks and large ocean liners. Moreover, other businesses related to businesses concentrated in the Klong Toey Port area, must be well prepared for changing situations in the future. The Company itself will inevitably be affected by docked ocean liners using connected services. Such impacts will be both positive and negative.

On the positive side, the number of ships using services will be reduced as large ocean lines that used to pick up goods from Bangkok (Klong Toey) will no longer come in.

On the positive side, goods transported from various regions by road will come to use the Company's warehouse service, which is located on the Chao Phraya Riverbank and in a perimeter province of Bangkok. Potential clients will not have to come into Bangkok, or transport a long distant to deepwater ports. Moreover, medium-sized freighters are able to dock at the Company's port in order to transfer goods, which will help to save land transportation expenses to goods owners, making the docking service, goods depository and transfer services more attractive to new potential customers.

Wheat Flour Business**(1) Changes of International Trade Conditions**

Changes of the main exporter's trade conditions such as FTA arrangements with USA, Australia, and Canada that will allow the Company to import raw materials without having to pay import duty, or a 5% increase of China's export duty to 25% will limit mixed flour export making Thai wheat flour importers will no longer enjoy cheap wheat flour from China. Nonetheless, if such a Chinese measure is cancelled, wheat flour factories in Thailand may have to compete with the Chinese flour again.



(2) Consumption Behavior

Nowadays, consumers prefer and become more concerned with healthy food consumption. For example, whole wheat bread, which is full of fiber, vitamins, and minerals more than normal bread, or whole wheat instant noodles., which provides the Company a chance to earn profit from higher consumption of whole wheat flour.

(3) Application of New Technology into Business

At present, the Company is in the middle of selecting ERP Software, which is a software used in a modern organization that desires to seize advantage over its competitors. Since such a software enables users to manage data in the organization in a centralized way, by linking data from each back office, and compiling into information that can help the decision making of the executives to be more accurate and faster to respond to customers' needs.

Factors Affecting the Performance of T S OIL INDUSTRY CO., LTD. (Subsidiary)

- Weather conditions affecting palm produce in the country will also affect the price of raw materials such as raw palm oil (Crude Palm Olein);
- Public policy – a company must concurrently consider the public policy in running a business such as the determination of sale ceiling, transfer notification, inventory notice, storage place, alternative energy policy, policy on palm plantation expansion, etc.;
- An increase in the number of oil mills, refinery, bio-diesel factories results in competition for raw materials affecting the cost of raw palm oil;
- Consumption behaviors – as consumers turn to more healthy food consumption, food producers have to change their product's image to a higher level of nutrition such as replacing cooking oil from palm oil to rice bran oil.

Reference**(a) Securities' Registrar**

Thailand Securities Depository Company Limited
Capital Market Institute Building
2/7 Moo 4 (North Park Project), Vipavadeerangsit Road,
Toong Song Hong Sub-district, Lak See District, Bangkok 10210
Tel. 0-2596-9000
Fax 0-2832-4994-6

(b) Debenture Holder's Representative

None

(c) Auditor

Ms. Prapasri Leelasupha, Certified Public Accountant No. 4664 or
Ms. Sansanee Poolsawad, Certified Public Accountant No. 6977
Sam Nak Ngan A.M.C. Co., Ltd.
191 Silom Complex, Class 19, Unit 4
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Fax 0-2231-3988
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(d) Internal Auditor

Ms. Waldee Siboonruang, Certified Public Accountant No. 3829
IVL Auditing Company Limited
15/101 Moo 1, Ning Bon Sub-district, Prawes District, Bangkok
Tel. 0-2748-2332-4, 081-890-4368
Fax 0-2748-2331

(e) Financial Advisor

None

(f) Advisor or Manager under Management Contract

None



(g) Financial Institutions

Bank	Office / Branch	Overdraft Limit	Interest Rate (% per year)	Balance as of 28 February 2010
Bank of Ayudhya Public Company Limited	Rama III	-	-	20,388.54
Bangkok Bank Public Company Limited	Silom office	10 Million Baht	6.625%	45,754.89
Kasikorn Bank Public Company Limited	Silom	10 Million Baht	7.63%	45,757.18
CIMB Thai Bank Public Company Limited (Current A/C)	Poo Jao Saming Prai	10 Million Baht	7.25%	-0-
CIMB Thai Bank Public Company Limited (Savings)	Poo Jao Saming Prai	-	0.50%	106,937.54
Siam Commercial Bank Public Company Limited (Current A/C)	Poo Jao Saming Prai	20 Million Baht	6.625%	(31,361.19)
Siam Commercial Bank Public Company Limited (Savings)	Poo Jao Saming Prai	-	0.50%	4,361,038.07



Details of Thai sugar Terminal public Company Limited’s Board of Directors as of 31 December 2010

Name - Surname - Position	Age	Educational Level	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
					Period	Position	Name of Organization / Nature of Business
1. Mr. Pricha Attavipach Chairman Independent Director	73	<div>- Bachelor Degree of Industrial engineering, Chulalongkorn University. - Master Degree Of Industrial Engineering and Management, Oklahoma State University U.S.A. - Certificate of Finance for Non-Finance Directors (FND 8/2004) Certificate of Director Certification Program (DCP 39/2004) Certificate of Audit Committee Program (ACP 11/2006) Thailand Institute of Director (IOD)</div>	-	None	2008 - Present	Chairman Independent Director	Thai Sugar Terminal public Company Limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation
					2008 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present	Chairman Chairman Chairman Chairman Chairman	
Mrs. Sriwan Attavipach			0.04%	(Spouse)	2004 - Present 2002 - Present 2000 - Present	<u>Director's / Executive's Position in other business</u> Director / Independent Director / Chairman of the Audit Committee Independent Director / Audit Committee Director Chairman	Thai Rung Union Car Public Company Limited - Automotive products Siam Cement Public Company Limited - Cement Polymers Etc. Pan - Paper 1992 Co., Ltd. - Production and distribution Paper products and printing
					2000 - Present 2001 – Present	Chairman Chairman	Ruamkijaungthong Warehouse Ltd. - Warehouse Chaiananbangplee Parkland Co., Ltd. - Real estate development To establish industrial zone
					2003 – Present	Chairman	SIAM P.P. International Co., Ltd. - Production and distribution of lime And Cement Pasteur
					2003 - Present 2003 - Present 2004 - Present	Chairman Chairman Chairman	Environment Pulp And Paper Co., Ltd. Tongkah Harbour Public Company Limited - Mining resources Ekaratpattana Co., Ltd. - Production of ethanol
					2008 - Present 2008 - Present 2008 - Present	Chairman Chairman Chairman	Kasest Thai Sugar Refinery Company Limited - Sugar production Thai Identity Sugar Factory CO., Ltd. - Sugar production Ruampol Enterprise Company Limited - Sugar production
					1993 - Present 2001 - Present 2002 – Present 2004 – Present	Director Specialist Senior Engineering (Industrial Engineer) Director Academic Director	S.C. Stark Company Limited - Manufacturing industry Pow - Council engineers Industrial Engineering - Committee bill Ministry of Labour - Bill Laws - The engineering institute of Thailand under H.M. The king's Patronage (Management systems, occupational health and safety)
					Present Present Present 2009 - Present	President of the University Council Chairman Chairman Chairman	- Chaopraya University - Education - Panchuen ruensiri Lady Foundation - Foundation - Laiarg pamarapa Teacher Foundation - Foundation - Industrial Development Foundation - Foundation



2. Mr. Prapas Chutimavoraphand Managing Director Chairman of Executive Board (Authorized Director)	73	- Grade 12 from Baan Beung Industry School - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	0.33%	- Father of Mr. Chanachai Chutimavoraphand Director and Executive Director	2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2004 - Present 2003 - Present 2004 - Present 1969 - Present 2003 - Present 1989 – Present 2004 - Present	Managing Director Chairman of Executive Board Managing Director Managing Director Chairman of Executive Board Chairman of Executive Board Managing Director <u>Director's / Executive's Position in other business</u> Director and Senior Executive Vice President Director and Senior Executive Vice President Director and Senior Executive Vice President Director and Senior Executive Vice President Managing Director Director Director Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Khon Kaen Sugar Public Company Limited - Sugar manufacturing factory Tamaka Sugar Public Company Limited - Sugar manufacturing factory New Krungthai Sugar Factory Company Limited - Sugar manufacturing factory New Kwang Soon Lee Sugar Company Limited - Sugar manufacturing factory On Nuj Construction Company Limited - Construction and other Khon Kaen Electricity Company Limited - Electricity Para High Tech Company Limited - General and Real estate rental service Bangkok Boutique Hotel (Thailand) Limited. - Business hotel
Mrs. Sumitra Chutimavoraphand			0.77%	(Spouse)			
3. Mr. Pong Chinthammit Senior Executive Vice President Vice Chairman of Executive Board (Authorized Director)	54	- Bachelor Degree of Science, Industrial Technology, Roger Williams University. - Certificate of Director Accreditation Program (DAP 10/2004) Thailand Institute of Director (IOD)	-	- Uncle of Mr. Win Chinthammit Non-Executive Director	2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present	Senior Executive Vice President Vice Chairman of Executive Board Senior Executive Vice President Senior Executive Vice President Senior Executive Vice President Senior Executive Vice President <u>Director's / Executive's Position in other business</u> Senior Executive Vice President Senior Executive Vice President Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Prachuap Industry Company Limited – Sugar Manufacturing Factory K.C. Agriculture Company Limited – Agribusiness K.S.L. Export Trading Company Limited – Sugar Export



4. Mr. Chanachai Chutimavoraphand Executive Director Member of Nominating and Remuneration Committee (Authorized Director)	39	- Bachelor Degree of Law, Chulalongkorn University. - Bachelor Degree of Engineering, Chulalongkorn University. - Master Degree of Engineering, Industrial Engineering, U.S.A. - Master Degree of Business Administration, Tennessee University, U.S.A. - Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	21.87%	- Son of Mr.Prapas Chutimavoraphand Managing Director and Chairman of Executive Board	2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present	Executive Director Member of Nominating and Remuneration Committee Executive Director Executive Director Executive Director Executive Director Executive Director <u>Director's / Executive's Position in other business</u> Executive Vice President Finance & Accounting Executive Vice President Finance & Accounting Executive Vice President Finance & Accounting Executive Vice President Finance & Accounting	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Khon Kaen Sugar Public Company Limited - Sugar manufacturing factory Tamaka Sugar Public Company Limited - Sugar manufacturing factory New Krungthai Sugar Factory Company Limited - Sugar manufacturing factory New Kwang Soon Lee Sugar Company Limited - Sugar manufacturing factory
5. Mr. Narong Chenlarpwanakul Executive Director (Authorized Director)	45	- Bachelor Degree of Economics, Thammasat University. - Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	-	None	2006 - Present 2006 - Present 2006 - Present 2006 - Present 2006 - Present 2006 - Present 2005 - Present 1999 - Present	Executive Director Executive Director Executive Director Executive Director Executive Director Executive Director <u>Director's / Executive's Position in other business</u> Director Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Mittrakset Industry Company Limited - Sugar Manufacturing Factory Wattanakul Oxygen company Limited - Manufacturing the agency as prosecutor Sim
6. Mr. Chalush Chinthammit Non-Executive Director	42	- BBA, Finance and Banking, Assumption University. - MBA, Finance & Banking, Mercer University, U.S.A. - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	0.05%	- Grandchildren of Mr. Somchai Chinthammit Director	2007 - Present 2007 - Present 2007 - Present 2007 - Present 2007 - Present 1994 - Present 1994 - Present 1994 - Present 1994 - Present	Director Director Director Director Director <u>Director's / Executive's Position in other business</u> Executive Vice President Executive Vice President Executive Vice President Executive Vice President	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Khon Kaen Sugar Public Company Limited - Sugar manufacturing factory Tamaka Sugar Public Company Limited - Sugar manufacturing factory New Krungthai Sugar Factory Company Limited - Sugar manufacturing factory New Kwang Soon Lee Sugar Company Limited - Sugar manufacturing factory



					2003 - Present 2003 - Present 2006 - Present 2002 - Present	Executive Vice President Director Director Director	Khon Kaen Alcohol Company Limited – Ethanol manufacturing factory Khon Kaen Electricity Company Limited – Electric Current manufacturing factory Sawan Naket Sugar company Limited – Sugar manufacturing factory K.S.L. Export Trading company Limited – Sugar Export
7. Mr. Somchai Chinthammit Non-Executive Director	59	- Computer College ,Germany. - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	0.17%	- Uncle of Mr. Chalush Chinthammit Director	2008 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present 1980 – Present 1981 – Present 2003 – Present 2003 - Present	Director Director Director Director Director Director <u>Director's / Executive's Position in other business</u> Director and EVP Director and EVP Director and EVP Director and EVP Director Director Director	Thai Sugar Terminal public Company Limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Khon Kaen Sugar Public Company Limited – Sugar Manufacturing Factory Tamaka Company Limited – Sugar Manufacturing Factory New Krungthai Sugar Factory Company Limited – Sugar Manufacturing Factory New Kwang Soon Lee Company Limited – Sugar Manufacturing Factory Racha Fermentation Co., Ltd – Sugar Manufacturing Factory Khon Kaen Alcohol Company Limited – Ethanol manufacturing factory Khon Kaen Electricity Company Limited – Electric Current manufacturing factory
8. Mr. Win Chinthammit Non-Executive Director (Authorized director)	36	- Bachelor of Electrical Engineering, Kasetsart University - Master of Information System, university of Colorado,U.S.A. - Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	0.23%	- Grandchildren of Mr. Pong Chinthammit Senior Executive Vice President and Vice Chairman of Executive Board	2006 - Present 2006 - Present 2006 - Present 2006 - Present 2006 - Present 2005 - Present 2005 - Present	Director Director Director Director Director <u>Director's / Executive's Position in other business</u> Executive Vice President Executive	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Prachuap Industry Company Limited – Sugar Manufacturing Factory K.C. Agriculture Company Limited – Agribusiness



9. Mr. Dhanadol Sujiphinyo Non-Executive Director	44	- Bachelor Degree of Marketing, California State University at Sacramento (BA). - Master Degree of Marketing & Management, Mercer University Atlanta, U.S.A. - Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD)	1.00%	- A son in law of Mr.Prapas Chutimavorphand Managing Director	2008 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present 1998 - Present	Director Director Director Director Director <u>Director's / Executive's Position in other business</u> Managing Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Jomtien Garden Resort Hotel, Pattaya - Business hotel
10. Mr. Chadej Insawang Chairman of Audit Committee Independent Director	64	- Master Degree Of Political Science and Law (M.S.), Thammasat University. - Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD)	-	None	2008 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present	Chairman of Audit Committee Independent Director Director Director Director Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation
11. Mr. Nisakorn Parkpean Member of Nominating and Remuneration Committee Audit Committee Independent Director	63	- Bachelor Degree of Accounting, Chulalongkorn University. - Certificate of Director Accreditation Program (DAP 30/2004) Thailand Institute of Director (IOD)	0.14%	None	2008 - Present 2009 - Present 2009 - Present 2009 - Present 2009 - Present 1996 - Present 2003 - Present	Chairman of Nominating and Remuneration Committee Member of Audit Committee Independent Director Director Director Director Director <u>Director's / Executive's Position in other business</u> Chairman Managing Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation Siam Furline Company limited - Product Loading Business Thai Teak Asset Company Limited - Processed Wood Business



12. Mr. Suang Ruangsook Audit Committee Independent Director	77	- Advanced Accounting Certificate, Bangkok Business College. - Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	0.21%	None	2000 – Present	Audit Committee Independent Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation
Mrs. Prasertsri Ruangsook			0.06%	(Spouse)	2009 - Present 2009 - Present 2009 – Present 2009 - Present	Director Director Director Director <u>Director's / Executive's Position in other business</u> Advisory Director Director	Eastern Sugar and Cane Public Company Limited – Sugar Manufacturing Factory PPTL Trading Limited Partnership – Electrical Line Products
13. Ms. Jutatip Arunanondchai Member of Nominating and Remuneration Committee Independent Director	40	- BSC. in Mathematics with Management, Imperial College, University of UK. - MBA in International Management University of Exeter, UK. - MBA in Architectural Interior Design, University of Wales,UK - MBA in MA Business Law, Chulalongkorn University. - Certificate of Director Accreditation Program (DAP 78/2009) Thailand Institute of Director (IOD)	0.04%	None	2008 - Present	Member of Nominating and Remuneration Committee Independent Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service <u>Subsidiaries</u> T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation
					2008 - Present 2008 - Present 2008 - Present	Director Director Director <u>Director's / Executive's Position in other business</u> Executive Director Audit Committee / Independent Director Director Director	Ratchaburi Sugar Company Limited and its subsidiaries – Sugar Manufacturing Factory Union Plastic Public Company Limited – Manufacturing plastic parts Chiang Mai Night Bazaar – Shopping Net get jet company limited – Product of Network



14. Mr. Suphsorn Chayovan (Ph.D) Director	74	<ul style="list-style-type: none">- Bachelor of animal science ,Kasetsart University.- Master Degree of Food Science & Nutrition, Brigham Young University.- Philosophy Doctor Degree of Technology and Food Science, University of Louisiana U.S.A.- Certificate of Director Accreditation Program (DAP 77/2009)- Certificate of Director Certificate Program (DCP 112/2009) Thailand Institute of Director (IOD)	-	None	2009 - Present 2006 - Present 2009 - Present 2009 – Present 2009 – Present 2009 - Present	Director Director Director Managing Director Director	Thai Sugar Terminal public Company Limited Nature of business <ul style="list-style-type: none">- Product Loading Service- Warehouse Rental and Port Service <u>Subsidiaries</u> T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation
15. Mr. Chamkrij Dejvitak (Ph.D) Director	37	<ul style="list-style-type: none">- Master Degree of Business Administration, West Texas A&M University U.S.A.- Master Degree of Field of leadership ethics and good Organization, Saint Edward's University U.S.A.- Philosophy Doctor Degree of Business Administration, Touro University International U.S.A.- Certificate of Director Accreditation Program (DAP 79/2009) Thailand Institute of Director (IOD)	-	None	2009 - Present 2009 - Present 2009 - Present 2009 - Present 2009 - Present	Director Assistant Managing Director Managing Director Director / Assistant Managing Director Director / Assistant Managing Director Executive Director Director / Assistant Managing Director	Thai Sugar Terminal public Company Limited Nature of business <ul style="list-style-type: none">- Product Loading Service- Warehouse Rental and Port Service <u>Subsidiaries</u> T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation
16. Ms.Yaowalak Chutimavoraphand Director	41	<ul style="list-style-type: none">- Bachelor of Faculty of Arts (Major Industrial and Organizational Psychology) Thammasat University.- Master Degree of Business Administrates (MBA), Mercer University.- Certificate of Director Accreditation Program (DAP 85/2010) Thailand Institute of Director (IOD)	3.54%	<ul style="list-style-type: none">- As daughter of Mr.Prapas Chutimavoraphand Managing Director and Chairman of Executive Board	2010 - Present 2010 - Present 2010 - Present 2010 - Present 2010 - Present	Director Director Director Director <u>Director's / Executive's Position in other business</u> Director	Thai Sugar Terminal public Company Limited Nature of business <ul style="list-style-type: none">- Product Loading Service- Warehouse Rental and Port Service <u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business T S G Asset Company Limited - General and Real estate rental service T S Oil Industry Company Limited - Sale and rental Service of Real estate T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation On nuj Construction Company Limited - Construction and other



17. Mrs. Arunee Trithepratima Company Secretary Secretary of the Audit Committee	55	- Bachelor of Communication Arts, Chulalongkorn University. - Diploma of Corporate Secretary Development Program, No.14, Registered Company Association and Faculty of Commerce and Accountancy, Chulalongkorn University	-	None	2000 – Present	Company Secretary Secretary of the Audit Committee	Thai Sugar Terminal Public Company Limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
					1982 – Present	Secretary to the Board of Directors	<u>Subsidiaries</u> T S Warehouse Company Limited - Warehouse Business
					1982 – Present	Secretary to the Board of Directors	T S G Asset Company Limited - General and Real estate rental service
					2010 – Present	Company Secretary	T S Flour Mill Public Company Limited - Wheat Flour Factory and Real Estate rental Service
					1982 – Present	Secretary to the Board of Directors	T S Oil Industry Company Limited - Sale and rental Service of Real estate
					1982 – Present	Secretary to the Board of Directors	T S Transport and Logistics Co., Ltd. - Plastic Sack Factory Product Transportation

- Note.** 1. Director, all without a history of criminal offenses of an offense relating to property which has been done in bad faith
2. Director, carry out all the history you do not have a list of potential conflicts of interest with the Company and its subsidiaries during the past year

Board of Directors in Thai Sugar Terminal Public Company Limited and Subsidiaries

No.	Name's Director	TSTE	TMILL	TSW	TSGA	TS OIL	TSTL
1	Mr. Pricha Attavipach	X ID	X ID	X	X	X	X
2	Mr. Prapas Chutimavoraphand	O	O	O	O	O	O
3	Mr. Pong Chinthammit	O		O	O	O	O
4	Mr. Chanachai Chutimavoraphand	O	O	O	O	O	O
5	Mr. Narong Chenlarpwatanakul	O	O	O	O	O	O
6	Mr. Chadej Insawang	/ ID AC		/	/	/	/
7	Mr. Nisakorn Parkpean	/ ID AC		/	/	/	/
8	Mr. Suang Ruangsook	/ ID AC		/	/	/	/
9	Mr. Chalush Chinthammit	/	/	/	/	/	/
10	Mr. Win Chinthammit	/		/	/	/	/
11	Mr. Somchai Chinthammit	/	/	/	/	/	/
12	Mr. Dhanadol Sujiphinyo	/	/	/	/	/	/
13	Ms. Jutatip Arunanondchai	/ ID			/	/	/
14	Dr. Suphsorn Chayowan	/	/	/	/	/	/
15	Dr.Charnkrij Dejvitak	/	/	/	/	/	/
16	Miss.Yaowalak Chutimavoraphand	/		/	/	/	/
17	Mr.Chalermchai Wongwaiwit		/ ID AC				
18	Mr.Anek Khamchum		/ ID AC				
19	Ms.Arraya Arunanondchai			/			

Note	X	=	Chairman
	O	=	Executive Director
	/	=	Director
	AC	=	Audit Committee
	ID	=	Independent Director

TSTE	=	Thai Sugar Terminal Public Company Limited
TMILL	=	T S Flour Mill Public Company Limited
TSW	=	T S Warehouse Company Limited
TSGA	=	T S G Asset Company Limited
TS OIL	=	T S Oil Industry Company Limited
TSTL	=	T S Transport and Logistics Company Limited

- Note**
1. Thai Sugar Terminal Public Company Limited is directors. The position of director of subsidiary references 3-6 except T S Flour Mill Public Company Limited not paid in cash and non-monetary.
 2. T S Flour Mill Public Company Limited is directors receive a monthly remuneration.
 3. Dr. Suphsorn Chayowan* Its Board of Directors and Managing Director T S Oil Industry Company Limited Paid as an executive.
 4. Dr. Charnkrij Dejvitak* Its Board of Directors and Managing Director T S Flour Mill Public Company Limited Receive compensation as directors and executives.

Part 2

Thai Sugar Terminal Public Company Limited

The consolidated and separate financial statements
For the year ended December 31, 2010



บริษัท สำนักงาน เอ เอ็ม ซี จำกัด
SAM NAK-NGAN A.M.C. Co., Ltd.



AUDITOR'S REPORT

To the Shareholders and the Board of Directors of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate balance sheets as of December 31, 2010, the related consolidated and separate statements of income, changes in shareholders' equity and cash flows for the year then ended of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and also of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED only. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report on these financial statements based on my audit. The consolidated and separate financial statements for the year ended December 31, 2009 of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and also of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED only were audited by other certified auditor whom expressed an unqualified opinion in the report dated February 19, 2010.

I conducted my audit in accordance with the 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, evidences 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 audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial positions as of December 31, 2010, the consolidated and separate operating results and cash flows for the year then ended of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and also of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED only in accordance with generally accepted accounting principles.

SAM NAK-NGAN A.M.C. CO., LTD.

(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand) Registration No. 4664

Bangkok,

February 24, 2011

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at December 31, 2010 and 2009

(Unit : Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2010	2009	2010	2009
<u>Assets</u>					
Current assets					
Cash and cash equivalent items		56,993,634	37,723,497	4,411,863	2,787,237
Trade accounts receivable-net	7	235,695,421	125,729,853	15,877,415	6,599,142
Current portion of long-term investment	11	749,978	502,703	-	502,703
Short-term loans to related parties	5.1	-	-	19,000,000	-
Inventories-net	8	269,818,766	328,280,778	-	-
Real estate development cost	9	40,758,778	41,824,293	34,672,632	34,663,116
Other current assets		14,062,881	13,350,143	1,435,371	1,851,045
Total current assets		618,079,458	547,411,267	75,397,281	46,403,243
Non-current assets					
Investments in subsidiary companies	10	-	-	508,542,734	706,175,834
Other long-term investments-net	11	2,965,560	7,171,964	2,523,126	6,242,112
Long-term loan to related parties	5.1	-	-	73,000,000	-
Property, plant and equipment-net	12	1,783,026,125	1,704,294,245	768,615,071	794,691,707
Other non-current assets		759,005	251,621	21,650	20,650
Total non-current assets		1,786,750,690	1,711,717,830	1,352,702,581	1,507,130,303
Total assets		2,404,830,148	2,259,129,097	1,428,099,862	1,553,533,546

Notes to financial statements are an integral part of these financial statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at December 31, 2010 and 2009

(Unit : Baht)

		Consolidated Financial Statements		Separate Financial Statements	
	Notes	2010	2009	2010	2009
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	14	457,280,465	328,298,582	34,000,000	59,000,000
Trade accounts payable	15	65,340,145	6,407,576	241,235	1,298,951
Short-term loans from related parties	5.1	-	-	-	10,000,000
Short-term loans from other parties	16	-	58,000,000	-	-
Current portion of long-term loans	17	60,000,000	60,000,000	20,000,000	60,000,000
Accrued income tax payable		22,648,116	12,622,412	1,845,720	3,587,782
Accrued discounts payable		21,559,880	17,207,017	21,559,880	17,207,017
Payable for asset purchased		1,767,353	3,033,182	-	-
Other current liabilities		37,474,087	26,279,600	6,244,229	5,902,724
Total current liabilities		666,070,046	511,848,369	83,891,064	156,996,474
Non-current liabilities					
Long-term loans from related parties	5.1	-	-	35,000,000	65,000,000
Long-term loans from financial institutions	17	206,000,000	228,903,798	-	120,000,000
Deposit received from warehouse and land rental		2,522,944	6,868,075	8,257,834	11,923,273
Other non-current liabilities		760,534	57,550	-	-
Total non-current liabilities		209,283,478	235,829,423	43,257,834	196,923,273
Total liabilities		875,353,524	747,677,792	127,148,898	353,919,747

Notes to financial statements are an integral part of these financial statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

As at December 31, 2010 and 2009

(Unit : Baht)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2010	2009	2010	2009
Shareholders' equity					
Share capital	18				
Authorized share capital					
132,000,000 ordinary shares @ Baht 1.00 each		132,000,000	132,000,000	132,000,000	132,000,000
Issued and paid-up share capital					
131,999,970 ordinary shares @ Baht 1.00 each		131,999,970	131,999,970	131,999,970	131,999,970
Unrealized gain (loss)					
Differences on revaluation of assets-the company		633,569,635	664,634,060	633,569,635	664,634,060
Differences on revaluation of assets-subsiary companies		26,487,728	32,803,812	-	-
Differences on the changes in shareholding ratio in subsidiary companies under common control		19,998,984	21,965,798	-	-
Differences on change in fair value of investment		(2,111,841)	(2,392,714)	(2,111,841)	(2,392,714)
Retained earnings					
Appropriated					
Legal reserve		13,200,000	13,200,000	13,200,000	13,200,000
Unappropriated		627,625,868	561,506,360	524,293,200	392,172,483
Total shareholders' equity of the company		1,450,770,344	1,423,717,286	1,300,950,964	1,199,613,799
Minority shareholders' equity		78,706,280	87,734,019	-	-
Total shareholders' equity		1,529,476,624	1,511,451,305	1,300,950,964	1,199,613,799
Total liabilities and shareholders' equity		2,404,830,148	2,259,129,097	1,428,099,862	1,553,533,546

Notes to financial statements are an integral part of these financial statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF INCOME

For the year ended December 31, 2010 and 2009

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2010	2009	2010	2009
Revenues from operation					
Revenue from services		112,992,252	181,194,976	116,992,975	143,777,402
Revenue from real estate activities		2,265,000	42,769,796	820,000	39,356,796
Revenue from sales		1,700,485,905	1,090,950,286	-	-
Total revenues from operation		1,815,743,157	1,314,915,058	117,812,975	183,134,198
Cost from operation					
Cost of services		(60,634,148)	(69,211,925)	(40,955,028)	(51,320,796)
Cost of real estate activities		(1,604,790)	(26,881,030)	(529,760)	(24,629,196)
Cost of sales		(1,517,703,871)	(937,606,734)	-	-
Total cost from operation		(1,579,942,809)	(1,033,699,689)	(41,484,788)	(75,949,992)
Gross profit		235,800,348	281,215,369	76,328,187	107,184,206
Dividend income		53,200	61,200	93,889,396	702,536
Other income		17,247,378	12,418,834	10,737,732	8,946,739
Profit before expenses		253,100,926	293,695,403	180,955,315	116,833,481
Selling expenses		(23,853,052)	(23,188,475)	(324,736)	(1,556,949)
Administrative expenses		(61,300,684)	(62,215,628)	(14,277,607)	(22,784,036)
Executives' remuneration	20	(32,800,514)	(31,366,674)	(13,825,944)	(17,208,036)
Total expenses		(117,954,250)	(116,770,777)	(28,428,287)	(41,549,021)
Profit before financial cost and income tax		135,146,676	176,924,626	152,527,028	75,284,460
Financial cost		(27,330,383)	(21,912,167)	(5,594,019)	(10,670,374)
Profit before income tax		107,816,293	155,012,459	146,933,009	64,614,086
Income tax	22	(45,301,705)	(47,811,083)	(14,812,292)	(18,061,840)
Profit for the year		62,514,588	107,201,376	132,120,717	46,552,246
PROFIT (LOSS) ATTRIBUTABLE TO:					
SHAREHOLDERS OF THE COMPANY		66,119,508	98,637,743	132,120,717	46,552,246
MINORITY SHAREHOLDERS		(3,604,920)	8,563,633	-	-
PROFIT FOR THE YEAR		62,514,588	107,201,376	132,120,717	46,552,246
EARNINGS PER SHARE OF SHAREHOLDERS OF COMPANY		0.50	0.75	1.00	0.35
NUMBER OF ORDINARY SHARES (UNIT : SHARES)		131,999,970	131,999,970	131,999,970	131,999,970

Notes to financial statements are an integral part of these financial statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2010 and 2009

Consolidated Financial Statements

(Unit : Baht)

	Notes	Issued and paid-up share capital	Unrealized Gain (Loss)				Retained Earnings		Total Shareholders' equity of the company	Minority shareholders' equity	Total shareholders' equity
			Differences on revaluation of assets - the company	Differences on revaluation of assets subsidiary companies	Differences on Change in shareholding ratio in subsidiary companies under common control	Differences on change in fair value of investment	Appropriated legal reserve	Unappropriated			
Balance as at January 1, 2009		120,000,000	706,883,806	39,119,895	16,293,218	(3,363,266)	12,000,000	466,697,663	1,357,631,316	89,103,612	1,446,734,928
Differences on revaluation of assets											
- Depreciation on revaluation of assets recognized in equity		-	(31,545,460)	(6,316,083)	(1,827,977)	-	-	-	(39,689,520)	(2,074,005)	(41,763,525)
- Transferred to the profit or loss due to the sale/written off	2.5	-	(10,704,286)	-	-	-	-	10,704,286	-	-	-
Investment in available for sale securities											
- Differences recognised in equity		-	-	-	-	970,552	-	-	970,552	-	970,552
Increased surplus of changes in shareholding ratio of subsidiaries		-	-	-	7,500,557	-	-	-	7,500,557	(7,500,557)	-
Total recognised income (expenses) in equity		-	(42,249,746)	(6,316,083)	5,672,580	970,552	-	10,704,286	(31,218,411)	(9,574,562)	(40,792,973)
Profit for the year (Revised)	2.5	-	-	-	-	-	-	98,637,743	98,637,743	8,563,633	107,201,376
Total income (expense) recognised for the year		-	(42,249,746)	(6,316,083)	5,672,580	970,552	-	109,342,029	67,419,332	(1,010,929)	66,408,403
Dividend paid in cash and stock	18	-	-	-	-	-	-	(13,333,332)	(13,333,332)	-	(13,333,332)
Increased capital	18	11,999,970	-	-	-	-	-	-	11,999,970	-	11,999,970
Appropriated legal reserve		-	-	-	-	-	1,200,000	(1,200,000)	-	-	-
Minority's interest decrease		-	-	-	-	-	-	-	-	(358,664)	(358,664)
Balance as at December 31, 2009		131,999,970	664,634,060	32,803,812	21,965,798	(2,392,714)	13,200,000	561,506,360	1,423,717,286	87,734,019	1,511,451,305
Differences on revaluation of assets											
- Depreciaton on revaluation of assets recognized in equity		-	(31,064,425)	(6,316,084)	(1,966,814)	-	-	-	(39,347,323)	(1,935,277)	(41,282,600)
Investment in available for sale securities											
- Differences recognized in equity		-	-	-	-	280,873	-	-	280,873	-	280,873
Total recognised income (expenses) in equity		-	(31,064,425)	(6,316,084)	(1,966,814)	280,873	-	-	(39,066,450)	(1,935,277)	(41,001,727)
Profit for the year		-	-	-	-	-	-	66,119,508	66,119,508	(3,604,920)	62,514,588
Total income (expense) recognized for the year		-	(31,064,425)	(6,316,084)	(1,966,814)	280,873	-	66,119,508	27,053,058	(5,540,197)	21,512,861
Minority's interest decrease		-	-	-	-	-	-	-	-	(3,487,542)	(3,487,542)
Balance as at December 31, 2010		131,999,970	633,569,635	26,487,728	19,998,984	(2,111,841)	13,200,000	627,625,868	1,450,770,344	78,706,280	1,529,476,624

Notes to financial statements are an integral part of these financial statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2010 and 2009

Separate Financial Statements

(Unit : Baht)

	Notes	Issued and paid-up share capital	Unrealized Gain (Loss)		Retained Earnings		Total
			Differences on revaluation of assets the company	Differences on change in fair value of investment	Appropriated legal reserve	Unappropriated	
Balance as of January 1, 2009		120,000,000	706,883,806	(3,363,266)	12,000,000	349,449,283	1,184,969,823
Differences on revaluation of assets							
- Depreciation on revaluation of assets recognised in equity		-	(31,545,460)	-	-	-	(31,545,460)
- Transferred to the profit or loss due to the sale/written off	2.5	-	(10,704,286)	-	-	10,704,286	-
Investment in available for sale securities							
- Differences recognised in equity		-	-	970,552	-	-	970,552
Total recognised income (expenses) in equity		-	(42,249,746)	970,552	-	10,704,286	(30,574,908)
Profit for the year (Revised)	2.5	-	-	-	-	46,552,246	46,552,246
Total income (expense) recognised for the year		-	(42,249,746)	970,552	-	57,256,532	(15,977,338)
Dividend paid in cash and stock	18	-	-	-	-	(13,333,332)	(13,333,332)
Increased capital	18	11,999,970	-	-	-	-	11,999,970
Increase in appropriation for legal reserve		-	-	-	1,200,000	(1,200,000)	-
Balance as of December 31, 2009		131,999,970	664,634,060	(2,392,714)	13,200,000	392,172,483	1,199,613,799
Differences on revaluation of assets							
- Depreciaton on revaluation of assets recognised in equity		-	(31,064,425)	-	-	-	(31,064,425)
Investment in available for sale securities							
- Differences recognised in equity		-	-	280,873	-	-	280,873
Total recognised income (expenses) in equity		-	(31,064,425)	280,873	-	-	(30,783,552)
Profit for the year		-	-	-	-	132,120,717	132,120,717
Total income (expense) recognised for the year		-	(31,064,425)	280,873	-	132,120,717	101,337,165
Balance as of December 31, 2010		131,999,970	633,569,635	(2,111,841)	13,200,000	524,293,200	1,300,950,964

Notes to financial statements are an integral part of these financial statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2010 and 2009

(Unit : Baht)

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2010	2009	2010	2009
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax	107,816,293	155,012,459	146,933,009	64,614,086
Adjustments for				
Dividend income	(53,200)	(61,200)	(93,889,396)	(702,536)
Amortization of premium on bonds	3,258	8,987	2,562	10,429
Loss from the cost of goods exceeding net realizable value	2,555,968	-	-	-
Doubtful debt (reversal)	(1,240,208)	7,774,804	-	-
Depreciation	63,245,912	44,828,110	6,217,644	5,143,292
(Gain) Loss from disposed and demolished assets	317,598	12,632,973	(742,989)	12,071,356
Unrealized loss on exchange rate	1,256	58,979	-	-
Interest expenses	26,303,338	21,178,234	5,594,019	10,670,374
Profit from operation before changes in operating assets and liabilities	198,950,215	241,433,346	64,114,849	91,807,001
Operating assets (increase) decrease				
Trade accounts receivable	(108,725,360)	53,173,702	(9,278,273)	(2,469,363)
Inventories	55,906,044	66,469,744	-	-
Real estate development cost	1,065,515	19,311,113	(9,516)	17,039,706
Other current assets	583,420	(4,439,096)	415,674	(59,726)
Other non-current assets	(507,384)	933,563	(1,000)	(2,000)
Operating liabilities increase (decrease)				
Trade accounts payable	58,931,313	(25,131,557)	(1,057,716)	(1,352,635)
Accrued discounts payable	4,352,863	(1,323,163)	4,352,863	(1,323,163)
Other current liabilities	11,165,342	(966,720)	447,094	166,014
Deposit received from warehouse and land rental	(4,345,131)	(4,303,065)	(3,665,439)	(4,229,640)
Other non-current liabilities	702,984	5,500	-	-
Cash provided (paid) from operating activities	218,079,821	345,163,367	55,318,536	99,576,194
Interest paid	(29,183,957)	(21,220,887)	(5,699,608)	(10,637,507)
Income tax paid	(36,572,159)	(61,174,436)	(16,554,354)	(15,326,681)
Net cash received from operating activities	152,323,705	262,768,044	33,064,574	73,612,006

Notes to financial statements are an integral part of these financial statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2010 and 2009

(Unit : Baht)

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2010	2009	2010	2009
CASH FLOW FROM INVESTING ACTIVITIES				
(Increase) Decrease in short-term loan to related parties	-	-	(19,000,000)	96,000,000
Cash paid to purchase investments in subsidiary companies	-	-	-	(200,000,000)
Cash received from captial reduction in subsidiary company	-	-	197,633,100	-
Cash receives from dividend	53,200	61,200	93,889,396	702,536
Cash paid for additional investment in long-term investments	(263,256)	-	-	-
Cash received from redemption of long-term investments	4,500,000	126,000	4,500,000	126,000
Cash paid from long-term loan to related parties	-	-	(73,000,000)	-
Cash paid to purchase fixed assets	(180,263,064)	(316,407,449)	(11,205,435)	(6,707,301)
Cash received from sale of asset	1,362,191	757,035	742,991	210,280
Net cash received from (used in) from investing activities	(174,610,929)	(315,463,214)	193,560,052	(109,668,485)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in short-term loan from financial institutions	128,981,883	(16,056,791)	(25,000,000)	59,000,000
Increase (Decrease) in short-term loan from related parties	-	-	(10,000,000)	(4,000,000)
Increase (Decrease) in short-term loan from other parties	(58,000,000)	53,000,000	-	-
Paid for payable from assets purchased	(3,033,182)	-	-	-
Paid for long-term loan from related parties	-	-	(30,000,000)	38,000,000
Received from long-term loan from financial institutions	177,096,202	108,903,798	-	-
Paid for long-term loan from financial institutions	(200,000,000)	(105,000,000)	(160,000,000)	(60,000,000)
Paid for withholding tax incurred from payment of dividen in stock	-	(1,333,362)	-	(1,333,362)
Cash payment of dividends minority's shareholders	(1,120,528)	(358,664)	-	-
Payment to minority's shareholder from capital reduction	(2,367,014)	-	-	-
Net cash received from (used in) from financing activities	41,557,361	39,154,981	(225,000,000)	31,666,638
Cash and cash equivalent items increase (decrease)-net	19,270,137	(13,540,189)	1,624,626	(4,389,841)
Cash and cash equivalents items at the beginning of the year	37,723,497	51,263,686	2,787,237	7,177,078
Cash and cash equivalents items at the end of the year	56,993,634	37,723,497	4,411,863	2,787,237

Notes to financial statements are an integral part of the above statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2010 and 2009

(Unit : Baht)

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2010	2009	2010	2009
Additional disclosure :				
1. Significant non-cash items in the consolidated and separate financial statements are as follows :-				
- Unrealized gain (loss) from available for sale securities	280,873	970,552	280,873	970,552
- Depreciation on surplus from revaluation of assets	41,282,600	41,763,525	31,064,425	31,545,460
- Written off surplus from revaluation of assets from asset demolition with retained earnings	-	10,704,286	-	10,704,286
- Purchases of fixed assets which had not yet been paid	1,767,353	5,152,693	-	-
- Interest expenses which included in the cost of assets	2,909,764	1,254,681	-	-
- Transfer of minority shareholders to surplus from changes in shareholding ratio in subsidiaries	-	7,500,557	-	-
- Transfer of portion of property, plant and equipment to real estate development cost	-	32,968,802	-	32,570,010
- Dividend paid in stock to the Company's shareholders	-	11,999,970	-	11,999,970
2. Cash and cash equivalent items consisted of :				
- Cash	108,237	99,357	53,608	50,000
- Savings account deposit	48,910,424	37,407,765	4,100,993	2,689,883
- Current account deposit	7,974,973	216,375	257,262	47,354
Total	56,993,634	37,723,497	4,411,863	2,787,237

Notes to financial statements are an integral part of the above statements.

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2010 AND 2009

1. General information

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED (The Company) was registered on September 27, 1976 as a limited company under Civil and Commercial Code with company registration number 1119/2519 and later registered its conversion to a public company limited on May 17, 1994 with registration number 0107537001692. The Company listed with the Stock Exchange of Thailand on July 13, 1990. Its registered office is located at 90, Moo 1, Soi Siamsilo, Poochaosamingphrai Road, Tambon Samrongklang, Amphur Phrapradaeng, Samutprakarn Province, Thailand.

The Company operates businesses relating to transfer and transportation services for sugar and certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of buildings on land for sale, rental, hire-purchase for residential, office and commercial units and the subsidiary companies' main activities are discussed in the notes to financial statements No. 3.1.

The Company is a subsidiary of Khon Kaen Sugar Industry Public Co., Ltd. which held 23.82% of the Company's shares and have joint-control of the Company's and is located at 503 K.S.L. Tower, 9th Floor, Sriyudahya Road, Ratchathewi, Bangkok and its factory is located at 43 Moo 10, Tambon Namphong, Amphur Namphong, Khonkaen Province. Khon Kaen's main business is to manufacture and distribute sugar and molasses.

2. Basis of financial statement preparation and accounting policies

2.1 The consolidated and separate financial statements were prepared in accordance with the generally accepted accounting principle under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretations including accounting guidance issued by the Federation of Accounting Professionals established under the Accounting Professions Act B.E. 2547 and regulations in accordance with the determination of the Office of the Securities and Exchange Commission on the subject of preparation and presentation of the financial reports.

These financial statements were prepared by using historical cost basis except those disclosed otherwise in the accounting policies

2.2 The Federation of Accounting Professions has issued FAP's Notifications No. 17/2553 and Nos. 50-55/2553, which have been published in the Royal Gazette, mandating the use of new accounting standards, financial reporting standards and interpretation for financial reporting standards as follows :-

<u>Reference Standard No.</u>	<u>Name</u>	<u>Effective Date</u>
Accounting framework (Revised 2009)		Immediately
Accounting Standard No. 1 (Revised 2009)	Presentation of Financial Statements	January 1, 2011
Accounting Standard No. 2 (Revised 2009)	Inventories	January 1, 2011
Accounting Standard No. 7 (Revised 2009)	Statement of Cash Flows	January 1, 2011
Accounting Standard No. 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2011
Accounting Standard No. 10 (Revised 2009)	Events after the Reporting Period	January 1, 2011
Accounting Standard No. 11 (Revised 2009)	Construction Contracts	January 1, 2011
Accounting Standard No. 16 (Revised 2009)	Property, Plant and Equipment	January 1, 2011
Accounting Standard No. 17 (Revised 2009)	Leases	January 1, 2011
Accounting Standard No. 18 (Revised 2009)	Revenue	January 1, 2011
Accounting Standard No. 19	Employee Benefits	January 1, 2011
Accounting Standard No. 23 (Revised 2009)	Borrowing Costs	January 1, 2011
Accounting Standard No. 24 (Revised 2009)	Related Party Disclosures	January 1, 2011
Accounting Standard No. 26	Accounting and Reporting by Retirement Benefit Plans	January 1, 2011
Accounting Standard No. 27 (Revised 2009)	Consolidated and Separate Financial Statements	January 1, 2011
Accounting Standard No. 28 (Revised 2009)	Investments in Associates	January 1, 2011
Accounting Standard No. 29	Financial Reporting in Hyperinflationary Economics	January 1, 2011
Accounting Standard No. 31 (Revised 2009)	Interests in Joint Ventures	January 1, 2011
Accounting Standard No. 33 (Revised 2009)	Earnings per Share	January 1, 2011
Accounting Standard No. 34 (Revised 2009)	Interim Financial Reporting	January 1, 2011
Accounting Standard No. 36 (Revised 2009)	Impairment of Assets	January 1, 2011
Accounting Standard No. 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2011
Accounting Standard No. 38 (Revised 2009)	Intangible Assets	January 1, 2011
Accounting Standard No. 40 (Revised 2009)	Investment Property	January 1, 2011
Financial Reporting Standard No. 2	Share-based Payment	January 1, 2011
Financial Reporting Standard No. 3 (Revised 2009)	Business Combination	January 1, 2011
Financial Reporting Standard No. 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2011
Financial Reporting Standard No. 6	Exploration for and Evaluation of Mineral Resources	January 1, 2011
Interpretation for Financial Reporting Standard No. 15	Agreements for the Construction of Real Estate	January 1, 2011
Accounting Standard No. 12	Income Taxes	January 1, 2013
Accounting Standard No. 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
Accounting Standard No. 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates	January 1, 2013

The management of the Company has evaluated and thought the said accounting standards, financial reporting standards and interpretation for financial reporting standard would not have significant effects on the financial statements for the year that the said standards are effective, except the following accounting standards which the Company's management have assessed the possible effect arisen from the implementation of those standards to the financial statements for the year those standards become effective as follows :-

Accounting Standard No.19 Employee Benefits

The accounting standard on employee benefits is effective for the financial statements for the accounting period commence on or after January 1, 2011. This accounting standard require for a company to gradually recognise as expense and estimate for liability of employee benefits in accordance to time frame commencing from the first date that employee start to give his or her service. By doing so, assumptions will be made for the use of actuarial calculation to assess obligation and long-term employee benefits together with the use of discount rate as the actual payment of such benefits will occur after long period of service made by employees. For the transitional period during the changeover of accounting standard No. 19, recognition of liability estimated from the service of employees prior the effective date can be made on selection of four allowable methods. The Group Companies are in the process of discretion and information preparation to evaluate the effect and select the account recording guideline that is most appropriate for the Group Companies.

Accounting Standard No.12 Income Taxes

The accounting standard on income tax is effective for the financial statements for the accounting period commence on or after January 1, 2013. This accounting standard determine the company to state the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes so the taxation effect can be recognise as deferred tax under assets or liabilities under the determined basis.

Currently, the management is considering the effects which may incur to the financial statements for the year the application of this accounting standard become effective.

- 2.3 Preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates which estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.
- 2.4 The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

- 2.5 During the year 2009, the Company made the adjustment to the transaction of the demolition of construction that incurred the surplus from revaluation from formerly the said surplus had been recognised as loss from demolition of construction under the statement of income to recognise it directly in the retained earnings to correspond with the accounting standard no. 32 on property, plant and equipment. Therefore, the income statement for the year ended December 31, 2009 shown Baht 10.70 million decrease in administrative expenses and the profit for the year increased by the same amount and the earning per share increased by Baht 0.08 per share. However, the said transaction has no effect to the reported shareholders' equity.

3. Basis for Preparation of the Consolidated Financial Statements

- 3.1 The consolidated financial statements consist of the financial statements of the Company and five subsidiaries (together called "Group Companies") with the shareholding structure of the Group Companies as follows :-

	<u>Percentage of Shareholding</u>		<u>Incorporated in</u>	<u>Type of Business</u>
	<u>2010</u>	<u>2009</u>		
T S G ASSET CO., LTD.	79.78	79.78	Thailand	Property Rental
T S OIL INDUSTRY CO., LTD.	94.31	94.31	Thailand	Property Sales, Purchase, Rental and Development and Palm Oil Extracting Operation
T S FLOUR MILL PUBLIC CO., LTD. (Formerly TS FLOUR MILL CO., LTD.)	98.82	98.82	Thailand	Property Rental and Produce and Distribute Wheat Flour
T S WAREHOUSE CO., LTD.	64.13	64.13	Thailand	Warehousing and Loading of Goods
T S TRANSPORT AND LOGISTIC CO., LTD.	85.90	85.90	Thailand	Production of polypropylene bag, plastic fiber, plastic resin and plastic, including the import and export of the said products and providing transportation and security services.

- 3.2 Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- 3.3 The consolidated financial statements have been prepared using the same accounting policy for the same accounting items and other events in the similar situation.
- 3.4 The accounting periods of subsidiary companies ended the same date as that of Thai Sugar Terminal Public Company Limited.
- 3.5 The consolidated financial statements confines the accounts of the Company and subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary

companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

4. Summary of significant accounting policies

The significant accounting policies of the Group Companies can be summarized as follows:

- 4.1 Cash and cash equivalents includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits and short-term investments which are not exceeding 3 months duration for repayment with no obligation commitment.
- 4.2 Trade and other accounts receivable are shown at invoice value less allowance for doubtful debts. The allowance for doubtful debts is assessed primarily on analysis of payment histories and future expectations of customer payments from the uncollectability of each account receivable. Bad debts are written off when incurred.
- 4.3 Inventories are shown at the lower of cost or net realizable value and adjusted by slow-moving or out-of-date goods, which estimate from each type of goods expected to be depreciated. In case of cost, the following calculation is observed :
 - Raw materials, supplies and factory supplies - calculate by using first in-first out method, except palm oil - raw material which calculated by using the weighted average method.
 - Wheat flour and polypropylene bags-goods in process and finished goods-calculated by the actual cost incurred using the first in-first out method.
 - Palm oil's work-in-process and finished goods is calculated by the actual cost incurred under the weighted average method.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The Company did not appropriate the share of production overheads to other by-products incurred from palm oil production. The revenue from selling the said by-product is shown as other revenue.

- 4.4 Real estate development cost is shown at the lower of cost or net realizable value using the specific method which consist of land cost, filling cost, construction cost, utility-system development cost and direct cost to acquire the products and set them to be ready for sale.
- 4.5 Investments

- 4.5.1 Investments in subsidiary companies in the separate financial statements are recorded under the cost method net by the allowance for accumulated impairment and record the recognition of the change in the investment in the statements of income when the investment is disposed or the impairment of the investment incurred.
- 4.5.2 Investment in marketable debt and equity instruments which are recorded as securities for sale are those held for an unspecified period which might be sold in need of liquidity and shown in total under non-current assets except the management has intention to hold them less than 12 months from the balance sheet date or the management wants to sell them to increase the working capital. In the latter case, they will be classified as current asset. Normally, the management will fix the appropriate classification at the time of investing and will review the classification regularly. These investments are valued at fair values which are calculated from the latest quote of purchase price as of the accounting year end date and recognised the change in value as a separate item in the shareholders' equity when these investments are sold or impaired in value, the recognition will be made through the statements of income.
- 4.5.3 Investments in debt instruments which are held until maturity will be classified as short-term or long-term investments according to the remaining maturity period. They are shown at amortized cost and deducted by the allowance for accumulated impairment (if any). The Group Companies amortized premium/discount over value of debt instruments by effective interest rates method and the amount amortized will be shown in the statements of income.
- 4.5.4 General investments in non-marketable equity instruments are shown at cost net off by allowance for accumulated impairment (if any) and change in value of general investments is recognised in the statements of income when they are sold or impaired.
- 4.6 Property are stated at cost, plant and equipment are stated at cost less accumulated depreciation and the allowance for accumulated impairment except for land, buildings and machines which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less accumulated depreciation which is calculated from the said fair value and allowance for accumulated impairment.

Revaluations are performed by independent professional appraisers, which the Group Companies have the policy for the independent professional appraisers to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the balance sheet date. Increase from appraisal value will be recorded in the shareholders' equity under "unrealized gain (loss)-difference on revaluation of assets", and decrease from cost recorded as loss from decrease in revaluation of assets in the statements of income. Increase in revaluation of building and machines will be amortized in accordance to the remaining useful life those assets.

The depreciation of the plant and equipment calculates from the cost or the revaluations of assets using the straight-line basis over their estimated useful life as follows :-

- Building and Construction	4-47	years
- Land Leasehold Improvement	30	years
- Building Improvement	10-20	years
- Roads	5 10 and 20	years
- Ports	5 and 29	years
- Machine and Equipment	3-20	years
- Motor Vehicle	5	years

The Group Companies record the said calculated depreciation as follow :-

- The depreciation for those calculated from the cost value is included in the calculation of the operating result.
- The depreciation for the revaluation surplus is written-off to the unrealized gain (loss)-difference on revaluation of assets in the shareholders' equity.

No depreciation is calculated for the land and assets in construction.

Interest expense incurred from the loan obtained especially for the work in construction project and during installation are included in the cost of the said work in construction until it is ready for its intended usage.

- 4.7 Impairment of assets, with the main business activities assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the group Company make an estimate of the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statements of income (An asset's recoverable amount is the higher of net selling price and value in use of the said assets).
- 4.8 Trade and other accounts payable are shown at cost.

- 4.9 Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as the expense for the year.
- 4.10 Estimation of liabilities : The Group Companies will record liability estimates whenever there is certainty that liability or obligation will occur at present legally or by estimation from the result connected with the past event. Such obligation is expected to cause damage to loss of useful or economic resources in order to make payment toward obligation and the amount to be paid is respectfully estimated. If payment made toward liability estimated is recovered fully or partly with certainty, the Group Companies will recorded the recovered payment as asset separately but the amount so recorded must be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of income in the net amount after recovered expense already recognized.
- 4.11 Unrealized gain (loss)-difference from change in shareholding ratio in subsidiary companies is the difference between the investment for changed proportion in subsidiary companies and book value of the subsidiary companies resulted from change in proportion of investment in that subsidiary companies. This difference is shown as a separate item in the balance sheet under the shareholders' equity and will be written off when the investment is disposed.
- 4.12 Minority's interest mean the book value of the net assets of the subsidiary companies in according to the shareholding ratio of the minority shareholders or the participating portion which does not belong to the Group Companies. The minority's interest is shown in a separate caption under the shareholders' equity in the consolidated balance sheet and the net profit (loss) of the minority's interest is shown in a separate caption of the consolidated statements of income.
- 4.13 Incomes recognition, revenue recognised excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts with the following policies: -
- 4.13.1 Sale of goods: revenue is recognised in the statements of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or render of services or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.
- 4.13.2 Revenue from transferring of goods, revenue from warehousing and other services are recognised when those services are already rendered.
- 4.13.3 Revenue from rent and service fee are recognized under the accrual basis according to the rates stipulated in the each service agreements.

- 4.13.4 Revenue from sale of houses together with land is recognised in accordance with installments due for payment under gross margin method. If the payment of installments due is more than percentage of work completed, it would be restrictively recognized only that amount pursuant to the work already completed and will cease to recognised revenue immediately if purchaser becomes overdue by more than three consecutive installments.
- The amount of money received by installments which exceeding the percentage of the work completed will be recorded as advance received from purchaser and is shown as other liabilities in the balance sheet.
- 4.13.5 Dividend income is recognized on the date that has right to receive payments is established.
- 4.13.6 Revenues from interest received and discount received from purchase of discounted notes receivable are recognized according to the related period.
- 4.13.7 Other revenues are recognized by accrual basis.
- 4.14 The policies concerning its expenses are as follows :-
- 4.14.1 In case of cost of sale for house together with land, the Group Companies calculates by appropriating all estimated development costs of properties (based on actual costs) to house and land sold according to saleable areas and then recognizing it as cost of sales in the statements of income according to proportion of revenue recognition.
- 4.14.2 Employee benefits comprise of salaries, wages, bonuses, other welfare, contributions towards Social Security Fund and provident fund are recognised as expenses when occurred.
- 4.14.3 For asset under lease contract, in which risk and ownership right in that asset vested in the lessor, is treated as operating lease contract. Leasing fee paid under the operating lease contract is accounted as expense throughout the contract period.
- 4.14.4 Finance costs such as interest expenses and similar costs are charged to the statements of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.
- 4.14.5 Other expenses are recognised by accrual basis.
- 4.15 Income tax will be recognised as expense item whenever liable to pay tax and calculate the tax from the taxable profit for the year under the Revenue Code.
- 4.16 The calculations of basic earnings per share for the year were based on the profit for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares held by outsiders during the year.

- 4.17 Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the year-end date are translated into Baht at the rates ruling on that date. Exchange gains or losses are included as incomes or expenses in the statements of income of the year.
- 4.18 The related parties and related companies with the Group Companies meant individuals or enterprises which have the controlling power over the Group Companies or are controlled by Group Companies either directly or indirectly, or under the same control with the Group Companies. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group Companies, important management, directors or the employees of the Group Companies who have the power to plan and control the operations of the Group Companies including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.
- 4.19 The sectoral business operation is disclosed under the separate business sectors of the Group Companies. By the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.
- 4.20 Financial assets and liabilities carried on the balance sheets include cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, investments and loan receivables and payables. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

Foreign currency forward contracts are meant to prevent risk from volatile movements in exchange rates by establishing a future rate at which a foreign currency asset and liability will be settled. Gain or loss from the foreign currency forward contracts will be recorded in the statement of income when the settlement is made.

5. Inter-transactions and remaining balances between related parties

Related parties are those parties linked to the Group Companies and the Company as shareholders or by common shareholders or directors. Significant inter-transactions and remaining balances between the Company and the parent company, the subsidiaries and related parties were as follows :-

5.1 Inter-Assets and Liabilities

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Trade accounts receivable				
T S Oil Industry Co., Ltd.	-	-	20,972	-
T S Flour Mill Public Co., Ltd.	-	-	701,300	-
T S Warehouse Co., Ltd.	-	-	1,472,965	34,288
T S Transport and Logistics Co., Ltd.	-	-	803	2,354
Khon Kaen Sugar Industry Public Co., Ltd.	52,052	3,581,086	-	154,979
Rajburi Sugar Co., Ltd.	218,264	-	109,361	-
Prachaup Industry Co., Ltd.	1,850	736,218	1,819	657,271
New Krung Thai Sugar Industry Co., Ltd.	-	935,216	-	-
Tamaka Sugar Industry Co., Ltd.	-	1,308,384	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	-	1,211,775	-	-
Eastern Sugar And Sugar Cane Co.,Ltd.	3	3	-	-
Total	272,169	7,772,682	2,307,220	848,892
- Other accounts receivable				
T S G Asset Co., Ltd.	-	-	14,980	14,830
T S Flour Mill Public Co., Ltd.	-	-	-	27,087
T S Transport and Logistics Co., Ltd.	-	-	2,226	1,798
Khon Kaen Sugar Industry Public Co., Ltd.	500	-	500	-
Rajburi Sugar Co., Ltd.	642	-	642	-
Prachaup Industry Co., Ltd.	-	6,714	-	6,714
Total	1,142	6,714	18,348	50,429
- Accrued interest				
T S Oil Industry Co., Ltd.	-	-	303,075	-
- Short-term loans to				
T S Oil Industry Co., Ltd.				
Beginning balance	-	-	-	-
Increase in the year	-	-	34,000,000	-
Repaid in the year	-	-	(15,000,000)	-
Ending balance	-	-	19,000,000	-
T S Flour Mill Public Co., Ltd.				
Beginning balance	-	-	-	96,000,000
Increase in the year	-	-	-	-
Repaid in the year	-	-	-	(96,000,000)
Ending balance	-	-	-	-
Total	-	-	19,000,000	-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Long-term loans to				
T S Oil Industry Co., Ltd.				
Beginning balance	-	-	-	-
Increase in the period	-	-	73,000,000	-
Repaid in the period	-	-	-	-
Ending balance	-	-	73,000,000	-

As at December 31, 2010 and 2009, the short-term loan to subsidiary companies is borrowing under loan agreements with the repayment of the principals scheduled within 1 year bearing the interest rate at MLR-2% and MLR-1.75% per annum respectively and the interest payment must be paid at the end of every month.

As at December 31, 2010, the long-term loan to subsidiary companies is borrowing under loan agreements with the repayment of the principals scheduled within 2-3 year bearing the interest rate at MLR-2.00% per annum and the interest must be paid at the end of every month.

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended</u>		<u>For the year ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Value of asset purchased				
T S Flour Mill Public Co., Ltd.	-	-	8,816,887	-

During the second quarter of 2010, the Company purchased a warehouse building with the value of Baht 8.21 million from a subsidiary company at the book value which has been appraised by an independent appraiser on November 14, 2008 and the remaining portion is purchased at the price comparable to the market price.

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Trade accounts payable				
T S Warehouse Co., Ltd.	-	-	-	1,001,429
- Accrued discounts payable				
Rajburi Sugar Co., Ltd.	-	-	287,775	-
Mitr Kaset Sugar Industry Co., Ltd.	-	-	477,850	-
Prachaup Industry Co., Ltd.	-	39,000	-	39,000
Total	-	39,000	765,625	39,000

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Accrued interest expenses				
T S G Asset Co., Ltd.	-	-	-	5,137
T S Flour Mill Public Co., Ltd.	-	-	-	2,466
T S Warehouse Co., Ltd.	-	-	88,151	146,918
Total	-	-	88,151	154,521
- Deposit received from warehouse, land rental and tank rental				
T S Oil Industry Co., Ltd.	-	-	1,292,390	456,750
T S Flour Mill Public Co., Ltd.	-	-	1,732,600	1,238,420
T S Warehouse Co., Ltd.	-	-	2,781,200	3,402,380
T S Transport and Logistics Co., Ltd.	-	-	630,000	630,000
Total	-	-	6,436,190	5,727,550
- Short-term loans from				
T S Oil Industry Co., Ltd.				
Beginning balance	-	-	-	4,000,000
Increase in the year	-	-	-	-
Repaid in the year	-	-	-	(4,000,000)
Ending balance	-	-	-	-
T S Flour Mill Public Co., Ltd.				
Beginning balance	-	-	10,000,000	-
Increase in the year	-	-	-	10,000,000
Repaid in the year	-	-	(10,000,000)	-
Ending balance	-	-	-	10,000,000
Total	-	-	-	10,000,000
- Long-term loans from				
T S G Asset Co., Ltd.				
Beginning balance	-	-	10,000,000	5,000,000
Increase in the year	-	-	-	5,000,000
Repaid in the year	-	-	(10,000,000)	-
Ending balance	-	-	-	10,000,000
T S Oil Industry Co., Ltd.				
Beginning balance	-	-	-	27,000,000
Increase in the year	-	-	-	-
Repaid in the year	-	-	-	(27,000,000)
Ending balance	-	-	-	-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Long-term loans from				
T S Warehouse Co., Ltd.				
Beginning balance	-	-	55,000,000	5,000,000
Increase in the year	-	-	-	50,000,000
Repaid in the year	-	-	(20,000,000)	-
Ending balance	-	-	35,000,000	55,000,000
Total	-	-	35,000,000	65,000,000

As at December 31, 2009, the short-term loan from subsidiary company is borrowing under loan agreements with the repayment of the principals scheduled within 3-12 months. The interest payment must be made every quarter at the interest rate of three-month fixed deposit interest plus 0.75% per annum. The interest rate shall be revised every quarter when the interest is due.

As at December 31, 2009, another short-term loan from subsidiary company is borrowing under loan agreements with the repayment of the principals scheduled within 3 months bearing the interest rate at 2.25% per annum and the interest must be paid at the end of every month. In the first quarter of 2010, the loan has been repaid in full amount.

As at December 31, 2010 and 2009, the long-term loan from subsidiary company is borrowing under loan agreements with the repayment of the principals scheduled within 3-5 years. The interest payment must be made every quarter at the interest rate of three-month fixed deposit interest plus 0.75% per annum. The interest rate shall be revised every quarter when the interest is due.

5.2 Inter-Revenues-Expenses

- The amounts of revenues for the year ended on December 31, 2010 and 2009

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended</u>		<u>For the year ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Revenue from warehouse rental				
T S Oil Industry Co., Ltd.	-	-	2,142,560	-
T S Flour Mill Public Co., Ltd.	-	-	5,250,006	6,313,363
T S Warehouse Co., Ltd.	-	-	18,187,770	23,979,066
T S Transport and Logistics Co., Ltd.	-	-	1,890,000	1,890,000
Total	-	-	27,470,336	32,182,429

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended</u>		<u>For the year ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Revenue from land rental and drum rental				
T S G Asset Co., Ltd.	-	-	1,218,600	1,218,600
T S Oil Industry Co., Ltd.	-	-	4,508,900	2,117,025
T S Flour Mill Public Co., Ltd.	-	-	4,550,050	5,029,200
T S Warehouse Co., Ltd.	-	-	2,304,000	2,304,000
T S Transport and Logistics Co., Ltd.	-	-	834,000	834,000
Total	-	-	13,415,550	11,502,825
- Revenue from service fee of loading and service				
Khon Kaen Sugar Industry Public Co., Ltd.	6,164,274	5,727,700	6,137,927	5,585,929
Rajburi Sugar Co., Ltd.	3,606,090	-	3,606,090	-
Mitr Kaset Sugar Industry Co., Ltd.	1,757,922	-	1,601,369	-
Prachaup Industry Co., Ltd.	5,007,329	5,288,827	4,932,073	5,218,216
New Krung Thai Sugar Industry Co., Ltd.	3,390,922	4,043,596	3,124,102	3,620,873
Tamaka Sugar Industry Co., Ltd.	4,391,908	4,364,742	4,272,799	4,152,169
New Kwang Soon Lee Sugar Industry Co., Ltd.	520,083	1,057,350	498,469	1,005,296
Eastern Sugar and Sugar Cane Co., Ltd.	3,282	-	3,282	-
Total	24,841,810	20,482,215	24,176,111	19,582,483
- Revenue from warehousing				
Khon Kaen Sugar Industry Public Co., Ltd.	1,186,899	2,672,642	-	-
Rajburi Sugar Co., Ltd.	1,219,970	-	-	-
Mitr Kaset Sugar Industry Co., Ltd.	253,371	-	-	-
Prachaup Industry Co., Ltd.	1,386,507	3,529,196	-	-
New Krung Thai Sugar Industry Co., Ltd.	3,266,912	3,032,021	-	-
Tamaka Sugar Industry Co., Ltd.	1,582,978	2,180,594	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	39,960	260,183	-	-
Eastern Sugar and Sugar Cane Co., Ltd.	32	31	-	-
Total	8,936,629	11,674,667	-	-
- Revenue from selling burlap sacks				
Khon Kaen Sugar Industry Public Co., Ltd.	3,666,000	11,424,768	-	-
Mitr Kaset Sugar Industry Co., Ltd.	1,253,600	2,586,040	-	-
Prachaup Industry Co., Ltd.	-	815,000	-	-
New Krung Thai Sugar Industry Co., Ltd.	755,000	755,000	-	-
Tamaka Sugar Industry Co., Ltd.	3,677,500	4,267,500	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	-	1,574,500	-	-
Total	9,532,100	21,422,808	-	-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended</u>		<u>For the year ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Dividend income				
T S Warehouse Co., Ltd.	-	-	-	641,336
T S Flour Mill Public Co., Ltd.	-	-	93,836,196	-
Total	-	-	93,836,196	641,336
- Other incomes				
T S Flour Mill Public Co., Ltd.	-	-	-	314,235
T S Transport and Logistics Co., Ltd.	-	-	-	24,310
Khon Kaen Sugar Industry Public Co., Ltd.	23,600	-	500	-
Rajburi Sugar Co., Ltd.	29,907	-	29,907	-
Prachaup Industry Co., Ltd.	56,642	-	767	-
K.S.L Export Trading Co., Ltd.	-	645,703	-	645,703
Tamaka Sugar Industry Co., Ltd.	6,370	-	-	-
Total	116,519	645,703	31,174	984,248
- Interest incomes				
T S Flour Mill Public Co., Ltd.	-	-	1,989,295	1,988,366
Total	-	-	1,989,295	1,988,366

- The amounts of expenses for the year ended on December 31, 2010 and 2009.

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended</u>		<u>For the year ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Expenses of loading and service				
T S Warehouse Co., Ltd.	-	-	5,851,725	12,415,724
- Discount expenses				
Khon Kaen Sugar Industry Public Co., Ltd.	476,794	944,150	476,794	944,150
Rajburi Sugar Co., Ltd.	287,775	-	287,775	-
Mitr Kaset Sugar Industry Co., Ltd.	477,850	-	477,850	-
Prachaup Industry Co., Ltd.	481,905	423,087	481,905	423,087
New Krung Thai Sugar Industry Co., Ltd.	813,143	988,209	813,143	988,209
Tamaka Sugar Industry Co., Ltd.	613,691	568,452	613,691	568,452
New Kwang Soon Lee Sugar Industry Co., Ltd.	33,253	160,083	33,253	160,083
Total	3,184,411	3,083,981	3,184,411	3,083,981
- Rental cars				
Parahitac Co., Ltd.	240,000	-	90,000	-
- Other expenses				
T S Transport and Logistics Co., Ltd.	-	-	942,000	1,472,000

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended</u>		<u>For the year ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
- Interest expenses				
T S G Asset Co., Ltd.	-	-	48,973	88,082
T S Oil Industry Co., Ltd.	-	-	545,308	201,356
T S Flour Mill Public Co., Ltd.	-	-	41,918	2,466
T S Warehouse Co., Ltd.	-	-	-	229,538
Total	-	-	636,199	521,442

Policy of Inter-Price Setting

- Revenue from lease is charged at the same price charged to outsider except the revenue from land and warehouse lease that the Company entered into agreements with its subsidiary companies. The conditions are as follow :-
 - Six land lease agreements entered into with four subsidiary companies to construct buildings and production factory plants. The contractual terms range from 1 year to 3 years at a time with the lease fee of Baht 0.67 million per month. When the lease term expired, the lease agreement can be extended until the total term reach 30 years and when the lease agreement is terminated, the lessee has the obligation to return the land together with construction (if any) at the condition as at the expiration date of the land lease agreement except the contractual parties agreed otherwise regarding the constructions on the leased land.
 - A land lease agreements entered into with a subsidiary company to construct buildings and production factory plants. The contractual term is 1 year at a time with the lease fee of Baht 0.35 million per month. The said lease agreement has expired on July 31, 2010 and the Company entered into a new lease agreement with the contractual term of 30 years, commencing from August 1, 2010 to July 31, 2040. The lease fee for the 1st to 5th year is Baht 0.35 million per month and every five years the lease fee is to be increase by 10% of the existing lease fee. The lessee agreed to deposit the rental guarantee at twice the monthly rental fee for every 5-year lease tenor and the initial deposit of Baht 0.70 million has been made. When the lease tenor expired and the lessee wants to extend the contractual term of the agreement, the lessee shall inform the Company at least 2 years and the lessor agreed to grant the leasehold right to the lessor to lease the said land for not more than 30 years. When the lease agreement has been terminated, the subsidiary company has the obligation to return the land together with construction (if any) at the condition as at the expiration date of the land lease agreement to the lessor except the contractual parties agreed otherwise regarding the constructions on the leased land.

- Two warehouse rental agreements entered into with two subsidiary companies to store finished goods. The contractual terms range from 1 year to 3 years at a time with the rental fee of Baht 0.38 million. When the contractual term expired, the lease agreement can be extended until the total term reach 30 years and when the lease agreement is terminated, the lessee has the obligation to return the land together with construction (if any) at the condition as at the expiration date of the land lease agreement except the contractual parties agreed otherwise regarding the constructions on the leased land.
- Revenues from inter-sugar transportation service fee and inter-warehousing service fee are the same price and on the same trading term with those applied to other parties, which is comparable to the general market price.
- Revenues from inter-sales and services, inter-other income and expenses are the same price and on the same trading term with those applied to other parties, which is comparable to the general market price.
- No fee is charged for the inter-credit facility guarantee.

5.3 Relationship of related companies

<u>Company's Name</u>	<u>Relationship</u>	<u>Connection</u>
KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Parent Company	Direct holding at 23.82% and have joint-control in the company
T S G ASSET CO., LTD.	Subsidiary Company	holding at 79.78% and more than half of its directors are the Company's representatives
TS OIL INDUSTRY CO., LTD.	Subsidiary Company	holding at 94.31% and more than half of its directors are the Company's representatives
T S FLOUR MILL PUBLIC CO., LTD.	Subsidiary Company	holding at 98.82% and more than half of its directors are the Company's representatives
T S WAREHOUSE CO., LTD.	Subsidiary Company	holding at 64.13% and more than half of its directors are the Company's representatives
T S TRANSPORT AND LOGISTICS CO., LTD.	Subsidiary Company	holding at 85.90% and more than half of its directors are the Company's representatives
RAJBURI SUGAR CO., LTD.	Related Company	Mutual Shareholders and Directors
MITR KASET SUGAR INDUSTRY CO., LTD.	Related Company	Mutual Shareholders and Directors
PRACHAUP INDUSTRY CO., LTD.	Related Company	Mutual Shareholders and Directors
K.S.L EXPORT TRADING CO., LTD.	Related Company	Mutual Shareholders and Directors
PARAHITAC CO., LTD.	Related Company	Mutual Shareholders and Directors
NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Related Company	Mutual Directors
TAMAKA SUGAR INDUSTRY CO., LTD.	Related Company	Mutual Directors
NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Related Company	Mutual Directors
THE THAI SUGAR TRADING CO., LTD.	Related Company	Mutual Directors
EASTERN SUGAR AND SUGAR CANE CO., LTD.	Related Company	Mutual Directors

The above related companies are incorporated in Thailand and have Thai citizenship.

6. Privileges of benefits from promoted investment

A subsidiary company received an investment promotion certificate from the Board of Investment of Thailand (BOI) under the Investment Promotion Act B.E. 2520. The benefits received include the exemption of import duty for the approved machineries which have to be imported within February 25, 2012 and the exemption of corporate income tax on net profit derived from operating business under investment promotion aggregated to not more than 100% of the investment excluding the land cost and the working capital for the period of 8 years commencing from the first day the income is generate from promoted business. The subsidiary company first derived the revenue from the promoted business on June 5, 2010 until June 4, 2018. The details of investment certificates received are as follows :-

<u>Certificate No.</u>	<u>Date</u>	<u>Sections</u>	<u>Promoted activity types</u>
1657(2)/2552	August 25, 2009	25 26 28 31(1) (3) (4) and 34	Production of pure vegetable oil and /or semi-pure vegetable oil and activity no. 1.12 manufacturing of oil or fat from plants and animals

7. Trade accounts receivable-net

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Related parties	272,169	7,772,682	2,307,220	848,892
Other parties	244,099,191	127,873,318	13,570,195	5,750,250
Total trade accounts receivable	244,371,360	135,646,000	15,877,415	6,599,142
<u>Less</u> Allowance for doubtful debts	(8,675,939)	(9,916,147)	-	-
Trade accounts receivable-net	235,695,421	125,729,853	15,877,415	6,599,142

Aging analyses for trade accounts receivable were as follows :-

7.1 Trade accounts receivable-related parties

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Domestic trade accounts receivable				
Not yet due	180,688	7,612,182	2,282,605	688,392
Overdue not over 3 months	91,481	160,500	24,615	160,500
Total	272,169	7,772,682	2,307,220	848,892

The normal credit term granted by the Group Companies ranges from 30 days to 90 days.

7.2 Trade accounts receivable-other parties-net

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Domestic trade accounts receivable				
Not yet due	126,491,214	94,576,959	3,665,697	3,963,178
Overdue not over 3 months	94,389,506	22,408,275	1,106,597	1,787,042
Overdue over 3 months but not over 6 months	2,359,294	-	1,457,707	-
Overdue over 6 months but not over 9 months	7,341,843	-	5,304,302	30
Overdue over 9 months but not over 12 months	3,886,588	10,888,084	2,035,892	-
Overdue over 12 months	9,630,746	-	-	-
Total	244,099,191	127,873,318	13,570,195	5,750,250
Less Allowance for doubtful accounts	(8,675,939)	(9,916,147)	-	-
Net	235,423,252	117,957,171	13,570,195	5,750,250

The normal credit term granted by the Group Companies ranges from 5 days to 45 days. For the year ended December 31, 2010 and 2009, there is the allowance for doubtful debt (reversal) made at Baht (1.24) million and Baht 7.77 million respectively.

8. Inventories-net

(Unit : Baht)

	<u>Consolidated Financial Statements</u>	
	<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>
Raw material	141,535,295	285,480,619
Work in process	43,614,234	26,383,475
Finished goods	24,176,074	11,289,435
Supplies	3,329,159	1,400,685
Goods in transit	59,719,972	3,726,564
Total	272,374,734	328,280,778
<u>Less</u> Allowance for the cost of goods exceeding net realizable value	(2,555,968)	-
Net	269,818,766	328,280,778

(Unit : Baht)

	<u>For the year ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Cost of inventory record as expense and include in the cost of goods sold		
- Cost of goods sold	1,515,147,903	937,606,734
- Write down to net realizable value	2,555,968	-
Net	1,517,703,871	937,606,734

9. Real estate development cost

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Real estate during development				
Land	23,880,000	23,880,000	23,880,000	23,880,000
Other land related expenses	9,519,150	9,399,150	9,519,150	9,399,150
Public utility systems	1,122,448	703,173	1,122,448	703,173
Other project related expenses	151,034	151,033	151,034	151,033
Total	34,672,632	34,133,356	34,672,632	34,133,356
Real estate ready for sale				
Commercial units	6,086,146	6,762,385	-	-
Town-house units	-	928,552	-	529,760
Total	6,086,146	7,690,937	-	529,760
Grand total	40,758,778	41,824,293	34,672,632	34,663,116

As at December 31, 2009, in the consolidated and separate financial statements, the Group Companies has sold commercial units and town-house units by entering into 68 and 45 purchase-sales agreements with outside persons respectively, with the contractual value at Baht 61.96 million and Baht 45.08 million respectively, equivalent to 83.66% and 100% of the total project value.

10. Investments in subsidiary companies

(Unit : Baht)

<u>Company's Name</u>	<u>Paid-up</u>		<u>Percentage of</u>		<u>Separate Financial Statements</u>		<u>Dividend</u>	
	<u>share capital</u>		<u>investments</u>		<u>Investment Cost Method</u>		<u>For the year</u>	
					<u>As at December 31,</u>		<u>ended December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
T S G Asset Co., Ltd.	50,000	50,000	79.78	79.78	40,611,143	40,611,143	-	-
T S Oil Industry Co., Ltd.	200,000	200,000	94.31	94.31	191,345,862	191,345,862	-	-
T S Flour Mill Public Co., Ltd.	200,000	400,000	98.82	98.82	197,794,784	395,427,884	93,836,196	-
T S Warehouse Co., Ltd.	12,500	12,500	64.13	64.13	10,073,145	10,073,145	-	641,336
T S Transport and Logistics Co., Ltd.	80,000	80,000	85.90	85.90	68,717,800	68,717,800	-	-
Total					508,542,734	706,175,834	93,836,196	641,336

There are movements of investments as follows :-

(Unit : Baht)

	<u>Separate Financial Statements</u>	
	<u>For the year</u>	<u>For the year</u>
	<u>ended December 31, 2010</u>	<u>ended December 31, 2009</u>
Beginning balance	706,175,834	506,175,834
Increase in investment		
- T S Oil Industry Co., Ltd.	-	170,000,000
- T S Transport and Logistics Co., Ltd.	-	30,000,000
The capital reduction		
- T S Flour Mill Public Co., Ltd.	(197,633,100)	-
Ending balance	508,542,734	706,175,834

In accordance with the minutes of T S Flour Mill Public Co., Ltd.'s extraordinary shareholders' meeting No. 1/2552, held on December 24, 2009, a special resolution has been reached to approve the capital reduction and amendment of the memorandum of association Article 5 (Capital) from formerly Baht 400.00 million (comprised of 4 million ordinary shares at the par value of Baht 100.00 per share) to Baht 200.00 million (comprised of 2 million ordinary shares at the par value of Baht 100.00 per share). The said capital reduction does not change the shareholding ratio of the said subsidiary company's shareholders. The subsidiary company has registered the capital reduction and the amendment of the memorandum of association with the Ministry of Commerce on February 2, 2010.

In accordance with the extraordinary shareholders' meeting no. 2/ 2553, held on June 15, 2010 of T S Flour Mill Public Co., Ltd. which is a subsidiary company, the significant resolutions are as follows :-

- Approve the conversion of TS Flour Mill Co., Ltd. to public company limited to process with the listing of the company with the Market for Alternative Investment and change the name of the company from formerly TS Flour Mill Co., Ltd. to T S Flour Mill Public Co., Ltd.
- Approve the change of T S Flour Mill Public Co., Ltd's par value from formerly Baht 100.00 per share to the new par value of Baht 1.00 per share.
- Approve the increase of the registered capital at Baht 85.00 million from formerly Baht 200.00 million registered capital to the new registered capital Baht 285.00 million by issuing 85 million new ordinary shares at Baht 1.00 per share.
- Approve the amendment of the memorandum of association of the company regarding the company's name, objectives and registered capital to correspond with its conversion to a public company limited, the change in the share's par value and the increase of the company's registered capital of T S Flour Mill Public Co., Ltd.
- Approve the allocation of increase capital ordinary shares of T S Flour Mill Public Co., Ltd at 85 million shares to be offered to the public.
- Approve the cancellation of all of the existing article of association and apply the new article of association in its place, revoke the existing company's seal and using the new company seal and to amend the objective from 51 clauses to 52 clauses to correspond with its conversion to a public company limited.

The subsidiary company has already registered the change in the par value and the number of shares, the increase in the registered capital, the conversion to public company limited and the amendment of the memorandum of association with the Ministry of Commerce on June 29, 2010.

In accordance with the minutes of the extraordinary shareholders' meeting No. 1/2553 held on September 9, 2010, it resolved to approve the allocation of new shares of T S Flour Mills Public Company Limited ("TMILL"), a subsidiary of the Company, to shareholders of the Company's ordinary shares in proportion to their shareholdings (Pre-emptive right) in conformation with the resolution of the annual general meeting of shareholders No. 1/2553 held on April 29, 2010, that resolved to approve the issuance and initial public offering ("IPO") of not more than 85,000,000 new ordinary shares of TMILL at par value of Baht 1.00 per share, constituting not more than 29.82% of TMILL's paid-up capital after the IPO. Such IPO of TMILL will result in the reduction of the Company's sharing of profit or voting right in TMILL from 98.82% at present to 69.35% or a dilution effect of not more than 29.82%. This will impact the shareholders of the Company's ordinary shares, resulting in the reduction of profit sharing or voting right in the same proportion. Therefore, in order to alleviate such impact, the Company should offer the shareholders of the Company the opportunity to hold shares of TMILL by offering right to the subscription for the new shares of TMILL to all the shareholders of the Company according to their shareholding proportion (Pre-emptive right) in a total amount of not exceeding 25,350,970 shares or not exceeding 29.82% of the total new share offering of 85,000,000 shares for sale to the public. With the fixing of proportion in offering rights to subscribe for ordinary shares of TMILL's increased capital will reduce the impact of the dilution effect for the shareholders of the Company. TMILL's executive board of directors shall have the authority to set out conditions and other details necessary for the rights offering to the shareholders of the Company to subscribe for the new TMILL shares, such as offering price, closing date of sale offer, other conditions and details in relation to new share appropriation as necessarily required.

11. Other long-term investments - net

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
11.1 <u>Investments in marketable securities available for sale</u>				
-TPI Polene Public Co., Ltd.	2,721,590	2,721,590	2,721,590	2,721,590
- Land and Houses Public Co., Ltd.	1,593,751	1,593,751	1,593,751	1,593,751
Total	4,315,341	4,315,341	4,315,341	4,315,341
<u>Less</u> Revaluation of investment to fair value	(2,111,841)	(2,447,841)	(2,111,841)	(2,447,841)
Investments in marketable securities available for sales-net	2,203,500	1,867,500	2,203,500	1,867,500
11.2 <u>Investment in available for sale securities</u>				
Investment in debt securities-subordinated debenture	-	4,000,000	-	4,000,000
<u>Plus</u> Unrealized gain from available for sale securities	-	55,127	-	55,127
Total	-	4,055,127	-	4,055,127
11.3 <u>Investment in debt instrument-held to maturity</u>				
Bond	1,808,055	1,808,055	880,679	880,679
<u>Plus</u> additional investment	263,256	-	-	-
<u>Less</u> Redemption of bonds	(500,000)	-	(500,000)	-
<u>Less</u> Accumulated amortization	(59,273)	(56,015)	(61,053)	(58,491)
Total	1,512,038	1,752,040	319,626	822,188
<u>Less</u> Current portion	(749,978)	(502,703)	-	(502,703)
Net	762,060	1,249,337	319,626	319,485
Total Long-term investments-Net	2,965,560	7,171,964	2,523,126	6,242,112

As at December 31, 2010 and 2009, the whole amount of debt security-held to maturity was pledged as collateral for the use of electricity.

12. Property, plant and equipment-net

Consolidated Financial Statements

								(Unit: Baht)
	Land and Land leasehold Improvement	Building and Construction	Roads	Ports	Machine and Equipment	Motor Vehicles	Work in Construction and Machine during Installation	Total
Cost :								
As at December 31, 2009	124,415,185	495,624,172	26,868,389	45,388,695	562,802,721	27,260,299	309,514,368	1,591,873,829
Purchase	-	1,575,294	168,400	-	13,496,661	13,877,555	155,822,271	184,940,181
Transfer in	-	117,508,016	3,780,274	-	319,657,433	-	5,999,449	446,945,172
Disposal/Write Off	(97,693)	(301,098)	-	-	(2,465,958)	(2,930,000)	-	(5,794,749)
Transfer out	-	-	-	-	(50,850)	-	(446,894,322)	(446,945,172)
As at December 31, 2010	124,317,492	614,406,384	30,817,063	45,388,695	893,440,007	38,207,854	24,441,766	1,771,019,261
Accumulated Depreciation								
As at December 31, 2009	(1,874,773)	(300,938,343)	(22,854,213)	(40,482,638)	(222,872,057)	(14,860,401)	-	(603,882,425)
Depreciation for the year	(75,073)	(16,233,060)	(1,579,555)	(1,148,245)	(38,024,428)	(6,185,551)	-	(63,245,912)
Disposal/Write Off	-	25,203	-	-	1,159,758	2,929,999	-	4,114,960
As at December 31, 2010	(1,949,846)	(317,146,200)	(24,433,768)	(41,630,883)	(259,736,727)	(18,115,953)	-	(663,013,377)
Differences on Revaluation of Assets :								
As at December 31, 2009	531,610,853	173,893,349	-	30,516,102	30,836,579	-	-	766,856,883
As at December 31, 2010	531,610,853	173,893,349	-	30,516,102	30,836,579	-	-	766,856,883
Accumulated Depreciation- Differences on Revaluation of Assets :								
As at December 31, 2009	-	(35,896,094)	-	(6,903,643)	(6,971,098)	-	-	(49,770,835)
Depreciation for the year	-	(29,712,595)	-	(6,103,220)	(5,466,785)	-	-	(41,282,600)
As at December 31, 2010	-	(65,608,689)	-	(13,006,863)	(12,437,883)	-	-	(91,053,435)
Allowance for Assets Impairment								
As at December 31, 2009	(282,000)	(501,207)	-	-	-	-	-	(783,207)
As at December 31, 2010	(282,000)	(501,207)	-	-	-	-	-	(783,207)
Net Book Value								
As at December 31, 2009	653,869,265	332,181,877	4,014,176	28,518,516	363,796,145	12,399,898	309,514,368	1,704,294,245
As at December 31, 2010	653,696,499	405,043,637	6,383,295	21,267,051	652,101,976	20,091,901	24,441,766	1,783,026,125
The depreciation in Income Statement								
For the Year ended on December 31, 2009								44,828,110
For the Year ended on December 31, 2010								63,245,912

Separate financial statement

(Unit: Baht)

	Land and Land leasehold Improvement	Building and Construction	Roads	Ports	Machine and Equipment	Motor Vehicles	Work in Construction and Machine during Installation	Total
Cost :								
As at December 31, 2009	102,796,907	170,532,081	21,070,457	45,388,695	78,716,005	5,558,000	2,285,031	426,347,176
Purchase	-	8,207,411	-	-	980,202	650,000	1,367,822	11,205,435
Transfer in	-	3,362,962	289,891	-	-	-	-	3,652,853
Disposal/Write Off	-	-	-	-	(527,500)	(2,930,000)	-	(3,457,500)
Transfer out	-	-	-	-	-	-	(3,652,853)	(3,652,853)
As at December 31, 2010	102,796,907	182,102,454	21,360,348	45,388,695	79,168,707	3,278,000	-	434,095,111
Accumulated Depreciation								
As at December 31, 2009	-	(152,608,029)	(20,200,127)	(40,482,639)	(77,748,062)	(4,262,915)	-	(295,301,772)
Depreciation for the year	-	(3,555,983)	(361,550)	(1,148,246)	(654,276)	(497,589)	-	(6,217,644)
Disposal/Write Off	-	-	-	-	527,499	2,929,999	-	3,457,498
As at December 31, 2010	-	(156,164,012)	(20,561,677)	(41,630,885)	(77,874,839)	(1,830,505)	-	(298,061,918)
Differences on Revaluation of Assets :								
As at December 31, 2009	531,610,853	123,106,698	-	30,516,102	14,052,302	-	-	699,285,955
As at December 31, 2010	531,610,853	123,106,698	-	30,516,102	14,052,302	-	-	699,285,955
Accumulated Depreciation- Differences on Revaluation of Assets :								
As at December 31, 2009	-	(25,609,341)	-	(6,903,643)	(2,625,462)	-	-	(35,138,446)
Depreciation for the year	-	(22,640,142)	-	(6,103,220)	(2,321,063)	-	-	(31,064,425)
As at December 31, 2010	-	(48,249,483)	-	(13,006,863)	(4,946,525)	-	-	(66,202,871)
Allowance for Assets Impairment								
As at December 31, 2009	-	(501,206)	-	-	-	-	-	(501,206)
As at December 31, 2010	-	(501,206)	-	-	-	-	-	(501,206)
Net Book Value								
As at December 31, 2009	634,407,760	114,920,203	870,330	28,518,515	12,394,783	1,295,085	2,285,031	794,691,707
As at December 31, 2010	634,407,760	100,294,451	798,671	21,267,049	10,399,645	1,447,495	-	768,615,071
The depreciation in Income Statement								
For the Year ended on December 31, 2009								5,143,292
For the Year ended on December 31, 2010								6,217,644

As at December 31, 2010 and 2009, five subsidiary companies' building improvements, building and work in construction of factory buildings amounting of Baht 241.69 million and Baht 256.06 million respectively, were constructed on the land lease from the Company as mentioned in the notes to financial statements No. 5.2. When the contractual term expired or terminated, the lessee shall hand over the land together with the construction (if applicable) in the condition as is on the contractual term expiration date to the lessor, except the contractual parties have agreed otherwise regarding the construction on the leased land.

For the years ended December 31, 2010 and 2009, two subsidiary companies have interest expenses incurred from the loans borrow for construction of factory and machine installation of Baht 2.91 million and Baht 1.25 million respectively, are included as the cost of asset.

As at December 31, 2010 and 2009, buildings, equipment and vehicles as in the consolidated financial statements at cost values of Baht 91.69 million and Baht 62.11 million respectively and in the separate financial statements of Baht 86.70 million and Baht 58.09 million respectively, were fully depreciated but still in use.

As at December 31, 2010 and 2009, land, constructions and machines of the Group Companies with the book value stated in the consolidated financial statements of Baht 952.77 million and Baht 557.56 million respectively and in the separate financial statements of Baht 93.58 million and Baht 103.07 million respectively were pledged as collateral against credit facilities given by two commercial banks as detailed in the notes to financial statements No. 13.

From October 1, 2010 onward, the subsidiary company has changed the approximate useful life of the building improvement and machinery from 10-15 years to 20 years to better suit the current condition and better reflect the economic benefits of the assets in the future. The change is prospectively applied which resulted in the depreciation for the year ended December 31, 2010 decreased by the amount of Baht 0.50 million and the future depreciation for the succeeding years would be decreased by Baht 2.53 million per year.

As the Group Companies choose to account by the cost method and when there is an increase in asset revaluation, only net value of increase book value will be recorded to related asset account along side with revaluation surplus on assets, for the year ended on December 31, 2010 and 2009, in the consolidated financial statements, there appeared depreciation of capital surplus being charged to revaluation surplus on assets account under the shareholders' equity for the amounts of Baht 41.28 million and Baht 41.76 million respectively and in the separate financial statements for the amounts of Baht 31.06 million and Baht 31.55 million respectively.

If the Group Companies choose to accounts for depreciation for capital surplus through the statement, of income the net profit of the Group Companies for the year ended on December 31, 2010 and 2009 in the consolidated financial statements understated by Baht 41.28 million and Baht 41.76 million respectively and earnings per share decrease by Baht 0.31 per share and Baht 0.32 per share respectively and in the separate financial statements the net profit understated by Baht 31.06 million and Baht 31.55 million respectively and the earnings per share decrease by Baht 0.24 per share, the same amount for both years.

13. Credit facilities and guarantee

As of December 31, 2010 and 2009, the Company and its subsidiary companies received the following credit facilities from two financial institutions; bank overdraft, short-term and long-term loans from the financial institution, trust receipts, letter of credit and forward exchange contracts as mentioned in the notes to financial statements Nos. 14, 17 and 24.1. The credit facilities are guaranteed by the mortgage registration of land together with the warehouse building, factory plant building, machines, factory plant building in construction and machine during installation when their construction and installation are completed, the leasehold right of the land where the factories are located of the Company and the subsidiary companies as mentioned in the notes to financial statements No. 12. The guarantee included the fire insurance for the constructions and machines with the equipments at the maximum limit accepted by the insurance company and forfeit the benefit from the insurance to the bank as the beneficiary. The Company and its subsidiary companies jointly offer their guarantee. The other material terms of the credit facility agreements are :-

- The Company must maintain the debt to equity ratio in the consolidated financial statements to not exceeding 1:1 and two of its subsidiaries must maintain the debt to equity ratio in the financial statements to not exceeding 1.5-2.0 : 1.
- The Company must maintain the debt service coverage ratio at not less than 1.2 : 1 and two of its subsidiaries must maintain the debt service coverage ratio at not less than 1.2-1.5 : 1.

14. Short-term loans from financial institutions

Consisted of :-

	(Unit : Baht)			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Loans in form of promissory notes	327,000,000	96,000,000	34,000,000	59,000,000
Trust Receipts	130,280,465	232,298,582	-	-
Total	457,280,465	328,298,582	34,000,000	59,000,000

As of December 31, 2010 and 2009, the Group Companies obtained loans from financial institutions in form of promissory notes with the terms range from 1 to 3 months from two commercial banks bearing the interest rates at 2.25% - 2.95% per annum and 2.25% - 2.50% per annum in the consolidated and separate financial statements respectively.

As of December 31, 2010 and 2009, in the consolidated financial statements, the entire amount is the trust receipt of a subsidiary company with the terms range from 1-4 months bearing the fixed interest rate basing on the financial market situation.

The credit facilities in the form of promissory note and trust receipt have the collateral as mention in the notes to financial statements No. 13.

15. Trade accounts payable

	(Unit : Baht)			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Related parties	-	-	-	1,001,429
Other parties	65,340,145	6,407,576	241,235	297,522
Total	65,340,145	6,407,576	241,235	1,298,951

16. Short-term loans from other parties

As at December 31, 2009, the subsidiary company obtained loans by issuing at-call unsecured promissory note to other parties, bearing the interest rate at 3.50% - 4.00% per annum.

17. Long-term loans from financial institutions

	(Unit : Baht)			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Loans from financial institution				
(1 st Credit line in Baht 200 million)	-	140,000,000	-	140,000,000
(2 nd Credit line in Baht 80 million)	20,000,000	40,000,000	20,000,000	40,000,000
(3 rd Credit line in Baht 200 million)	146,000,000	108,903,798	-	-
(4 th Credit line in Baht 140 million)	100,000,000	-	-	-
Total	266,000,000	288,903,798	20,000,000	180,000,000
Less Current portion of long-term loans	(60,000,000)	(60,000,000)	(20,000,000)	(60,000,000)
Net	206,000,000	228,903,798	-	120,000,000

The movements in loans for the year ended December 31, 2010 is as follows :-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>	<u>Separate Financial Statements</u>
Beginning book value	288,903,798	180,000,000
Increase in the year	177,096,202	-
Repaid in the year	(200,000,000)	(160,000,000)
Ending book value	266,000,000	20,000,000

In the consolidated and separate financial statements as of December 31, 2010 and 2009, the Group Companies obtained loans from a financial institution. The credit facilities obtained can be classified into four credit lines with important covenants as follows :-

17.1 1st Credit line with Baht 200.00 million credit limit

- The principal must be repaid on six-monthly installments in total of 10 installments at Baht 20.00 million per installment on the last working day of June and December of each year. The first installment must be made in December 2008.
- Interest rate for the first year is MLR-1.75% per annum, the second year is MLR-1.50% per annum, the third year is MLR-1.25% per annum and the fourth is MLR-1.00% per annum. The interest is payable at the end of each month.
- Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 13.

During the second quarter of 2010, the Company repaid the entire loan prior to its due date with the capital reduction fund received from a subsidiary company.

17.2 2nd Credit line with Baht 80.00 million credit limit

- The principal must be repaid on six-monthly installments in total of 8 installments at Baht 10.00 million per installment to be paid on the last working day of January and July of each year. The first installment must be made in January 2008.
- Interest rate is MLR-2.00% per annum. The interest is payable at the end of each month.
- Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 13.

17.3 3rd Credit line with Baht 200.00 million credit limit

- The principal must be repaid on quarterly installments in total of 20 installments at Baht 10.00 million per installment to be paid on the last working day of each quarter. The first installment must be made in January 2012.
- Interest rate for 1st and 2nd year is MLR-0.75% per annum, 3rd and 4th year is MLR-0.50% per annum, for the fourth year onward is MLR per annum. The interest is payable at the end of each month.
- Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 13.

17.4 4th Credit line with Baht 140.00 million credit limit

- The principal must be repaid on six-monthly installments in total of 7 installments at Baht 20.00 million per installment on the last working day of June and December of each year. The first installment must be made in June 2010.
- Interest rate is charged from the first date of loan withdrawal (May 27, 2010) to September 11, 2010 at the interest rate of MLR-1.25% per annum and from September 12, 2010 onwards the interest rate is charged at MLR-1.00% per annum. The interest is payable at the end of each month.
- Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 13.

18. Share capital

	Par value (Baht)	<u>Registered share</u> (Shares)		<u>Issued and paid - up share capital</u> (Shares)	
		(Baht)		(Baht)	
As at January 1, 2009	1.00	120,000,000	120,000,000	120,000,000	120,000,000
Capital increased during the period	1.00	12,000,000	12,000,000	11,999,970	11,999,970
As at December 31, 2009	1.00	132,000,000	132,000,000	131,999,970	131,999,970
As at December 31, 2010	1.00	132,000,000	132,000,000	131,999,970	131,999,970

In accordance with the minutes of the annual general shareholders' meeting No.1/2552 held on April 30, 2009, and of the Company's board of directors' meeting No. 3/2552 held on March 20, 2009, the significant resolutions are as follows :-

- To pay the dividend as stock dividend for all the Company's 120 million shares at the ratio of 10 existing ordinary shares to 1 stock dividend at the par value of Baht 1.00 totaling stock dividend at 12 million shares of Baht 12.00 million thus the dividend payment ratio of Baht 0.10 per share and the withholding tax paid on behalf of the shareholders of Baht 0.011 per share.
- Approved the increase of the registered share capital from the former of Baht 120.00 million (comprised of 120 million ordinary shares at Baht 1.00 per share) to Baht 132.00 million (comprised of 132 million ordinary shares at Baht 1.00 per share) to support the said stock dividend payment. On May 19, 2009, the Company has amended the memorandum of association with the Ministry of Commerce from formerly registered share capital of Baht 120.00 million to Baht 132.00 million with the paid-up capital of Baht 131,999,970.00.

19. Capital management

The primary objectives of the Group Companies capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt to equity ratio not exceeding the covenants of the loan agreements.

As at December 31, 2010 and 2009, in the consolidated financial statements, debt to equity ratio is 0.57 : 1.00 and 0.49 : 1.00 respectively and the separate financial statements, debt to equity ratio is 0.10 : 1.00 and 0.30 : 1.00 respectively.

20. Executives' remuneration

The amounts paid are benefits paid to directors of the Companies in accordance to Section 90 of Public Company Act which exclude salaries and related fringe benefits paid to the executive directors of the Group Companies with the following details :-

	(Unit : Baht)			
	<u>Consolidated Financial</u>		<u>Separate Financial</u>	
	<u>Statements</u>		<u>Statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Executives' remuneration	8,401,000	6,136,000	6,341,000	6,136,000

21. Natures of expense

The significant natures of expense are :-

	(Unit : Baht)			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Salaries, wages and other benefits to employees	95,922,174	81,452,403	29,285,465	30,259,505
Raw material and supplies used	1,428,115,002	888,371,923	-	-
Changes in finished goods and work in process	(30,117,398)	(3,538,979)	-	-
Real estate costs	1,604,790	26,881,030	529,760	24,629,196
Loss from cost of goods exceeding net realizable value	2,555,968	-	-	-
Depreciation	63,245,912	44,828,110	6,217,644	5,143,292
Transportation expenses	11,345,247	4,311,972	-	-
Operating expenses-warehouse	15,559,606	25,463,400	21,361,332	30,496,404
Public utility fee	29,677,377	25,522,238	4,353,352	4,946,861
Financial Cost	27,330,383	21,912,167	5,594,019	10,670,374
Sale promotional expense	30,699,142	12,952,618	-	-
Repair and maintenance expense	4,278,688	2,988,984	1,674,754	1,132,583
Other operating expenses	45,010,551	41,236,767	6,490,768	20,891,172
Total	1,725,227,442	1,172,382,633	75,507,094	128,169,387

22. Income Tax

For the years ended December 31, 2010 and 2009, income tax of the Company is calculated at 25% of profit before income tax for the portion that not exceeding Baht 300 million and 30% of profit before income tax for the portion exceeding Baht 300 million but after adding back allowances and various expenses not allowable for tax calculation purpose and deducting of income not to be included as taxable income and also expense allowed to be deducted by increased amount. The tax rate is in accordance to the Royal Decree No. 475 (B.E. 2551) dated July 29, 2008. The majority of the deduction is as follows :-

	(Unit : Baht)	
	<u>Separate Financial Statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Income not to be included as taxable income		
- Dividend income	93,889,396	702,536
Transaction considered expense for tax calculation purpose		
- Capital reduction not exceeding retained earnings of a subsidiary	5,943,511	-

For the years ended December 31, 2010 and 2009, income tax of subsidiary companies are calculated at 30% of profit before income tax but after adding back allowances and various expenses not allowable for tax calculation purpose and deducting of income not to be included as taxable income and also expenses allowed to be deducted by increased amount.

23. Financial information by sectoral

Details of the sectoral business operations in the consolidated financial statements for the year ended December, 2010 and 2009, are as follows:-

	(Unit : Thousand Baht)															
	Transportation and Warehouse Rental Service		Residential Condominium Rental Service		Palm oil distribution		Producer Manufacturer & Distributor of Wheat Flour and Polypropylene Bag		Real Estate		Other Business		Inter-Transaction		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from services	158,968	232,093	7,697	6,193	-	-	-	-	-	-	14,214	14,372	(67,887)	(71,463)	112,992	181,195
Revenue from real estate activities	-	-	-	-	-	-	-	-	2,265	42,770	-	-	-	-	2,265	42,770
Revenue from sales	-	-	-	-	780,386	-	934,513	1,107,809	-	-	-	-	(14,413)	(16,859)	1,700,486	1,090,950
Profit from operation															235,800	281,215
Other income															17,300	12,480
Selling expenses															(23,853)	(23,188)
Administrative expenses															(94,101)	(93,583)
Financial cost															(27,330)	(21,912)
Income tax															(45,302)	(47,811)
Net profit from operation															62,514	107,201
Plus(less) loss (profit) of minority shareholders' interest																(8,564)
Profit for the years															66,119	98,637
Assets used in operation :-																
Trade accounts receivable-net	22,894	9,128	129	114	111,858	-	104,844	120,350	-	-	-	-	(4,030)	(3,862)	235,695	125,730
Inventories-net	-	-	-	-	50,566	-	219,426	328,752	-	-	-	-	(173)	(471)	269,819	328,281
Real estate development cost	-	-	-	-	-	-	-	-	40,759	41,824	-	-	-	-	40,759	41,824
Property, plant and equipment-net															-	-
- Appropriate	802,855	850,299	79,413	82,028	456,121	301,821	432,080	450,363	-	-	1,589	2,326	(357)	-	1,771,701	1,686,837
- Central															11,325	17,457
Other Assets															75,531	59,000
Total Assets															2,404,830	2,259,129

24. Commitments and contingent liabilities

24.1 In the consolidated and separate financial statements as at December 31, 2010 and 2009, the Group Companies have commitments and contingent liabilities as follows :-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As of December 31,</u>		<u>As of December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Letters of guarantee (Utilized)	12,267,199	11,414,956	6,050,669	5,698,426
Letters of guarantee (Unutilized)	10,232,801	11,085,178	1,449,331	1,801,574
Letters of credit, trust receipt, short-term loan (Utilized)	611,864,504	267,106,822	-	-
Letters of credit, trust receipt, short-term loan (Unutilized)	88,135,496	582,893,178	-	-
Forward exchange contract (Unutilized)	1,060,000,000	1,056,625,000	-	-
Unutilized bank overdraft (Unutilized)	90,000,000	90,000,000	50,000,000	50,000,000
Unutilized short-term loan (Unutilized)	168,000,000	109,000,000	46,000,000	1,000,000
Joint credit line in letter of credit and long-term loans (Unutilized)	114,000,000	151,096,000	-	-

As at December 31, 2010 and 2009, the bank overdraft, letter of credit, letter of guarantee and loans received from banks are guaranteed by the collaterals as mentioned in the notes to financial statements No. 13.

24.2 As at December 31, 2010 and 2009, the Company and two subsidiary companies entered into agreements of construction and decoration of new factory and construction agreements for every projects as follows :-

(Unit : Thousand Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Contractual value	17,660	238,528	-	2,968
Remaining binding contractual value	4,234	104,680	-	1,048

24.3 As at December 31, 2010, a subsidiary company has the obligation regarding machine purchase agreement which the machinery parts are being assembled and the deposit has already been paid at 30% off the machine value. The remaining obligation to be paid is Swiss Franc 0.11 million.

24.4 As at December 31, 2010, a subsidiary company has the obligation regarding goods selling agreement which have not yet been delivered at Baht 15.73 million.

24.5 As at December 31, 2010 and 2009, a subsidiary company has the obligation regarding the purchase of raw material from overseas which have not been completely delivered at USD 9.98 million and USD 0.55 million respectively.

25. Financial instruments

Policy to manage financial risk

The Group Companies possess risk regarding to the change of market interest rate and in currency exchange rate and from nonperformance of contractual obligations by counter parties. The Group Companies will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, Group Companies do not have any policy to hold or issue any financial instruments for speculation or for trading.

Risk on credit provision

The Group Companies obtain risk from credit provision in relation to trade accounts receivable mostly derived from sales and service of clients. However, the Group Companies hold the conservative policy in providing credit. Furthermore, the numbers of debtors of the Group Companies are several thus the Group Companies do not expected the material damage from debt collection.

Risk on interest rate

The Group companies risk on interest rates is derived from the change of the market interest rates in the future, which affect upon the Group Companies' operating result and cash flow. However, the Group Companies manage the interest rate risks by applying various instruments including the allocation of the investments at fixed and floating interest rates appropriately to suit the various activities of the Group Companies with the following details :-

(Unit : Baht)

Consolidated Financial StatementsAs at December 31, 2010

	Fixed Interest Rate		Floating	Total
	Within	More than 1 year	Interest Rate	
	1 year	to 5 years		
<u>Financial Assets</u>				
Savings account deposit	-	-	48,910,424	48,910,424
Other long-term investments-government bonds	749,978	762,060	-	1,512,038
Total	749,978	762,060	48,910,424	50,422,462
<u>Financial Liabilities</u>				
Short-term loans from financial institutions	-	-	457,280,465	457,280,465
Long-term loans from financial institutions	-	-	266,000,000	266,000,000
Total	-	-	723,280,465	723,280,465

(Unit : Baht)

Consolidated Financial StatementsAs at December 31, 2009

	Fixed Interest Rate		Floating	Total
	Within	More than 1 year	Interest Rate	
	1 year	to 5 years		
<u>Financial Assets</u>				
Savings account deposit	-	-	37,407,765	37,407,765
Other long-term investments-government bonds	502,703	1,249,337	-	1,752,040
Total	502,703	1,249,337	37,407,765	39,159,805
<u>Financial Liabilities</u>				
Short-term loans from financial institutions	-	-	328,298,582	328,298,582
Short-term loans from other parties	58,000,000	-	-	58,000,000
Long-term loans from financial institutions	-	-	288,903,798	288,903,798
Total	58,000,000	-	617,202,380	675,202,380

Risk on exchange rate

Regarding risk on exchange rates of the Group Companies, mainly involves with purchase of raw materials under the foreign currencies. As at December 31, 2010, and 2009, a subsidiary company obtained liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows :-

<u>Unit and Currencies</u>	<u>Consolidated Financial Statements</u>	
	<u>Liabilities</u>	
	<u>As at December 31,</u>	
	<u>2010</u>	<u>2009</u>
'000 USD	1,971	112

As at December 31, 2009, a subsidiary conducted a forward exchange contract with a commercial bank to hedge against exchange rate risk from debt repayment denominated in foreign currency. The subsidiary company has not recorded such financial liability in the financial statements. The due date for payment of the forward contract already committed has outstanding period of not greater than 6 months with the following details:-

	<u>Unit and Currencies</u>	<u>As at December 31, 2009</u>
Amount fixed in contract	'000 USD	101
Amount earned in contract	Thousand Baht	3,375
Net fair value under the forward contract	Thousand Baht	(1)

Fair Value

Since most of the financial assets and liabilities are short-term and loans bearing interest rates closed to market rates, the Company and its subsidiary companies' management believes such financial assets and liabilities are presented in value not materially different from relevant fair value.

26. Provident Fund

The Group Companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group Companies and their employees contributed to the fund monthly at the rates depending on the working life of the employees. A local financial institution is managing the provident fund and will be paid to the employees upon termination in accordance with the fund rules. For the years ended December 31, 2010 and 2009, in the consolidated financial statements, the Group Companies contributions amounted to approximately Baht 0.77 million and Baht 0.68 million respectively.

27. Accounts reclassification

The Group Companies have reclassified the accounts in the consolidated and separate financial statements as of December 31, 2009, for the purpose of comparison with the financial statements for the year ended December 31, 2010, which has no effect on net profit or shareholder's equity as previously reported in the year ended December 31, 2009. The detail is as follow :-

(Unit : Baht)

	<u>As at December 31, 2009</u>					
	<u>Consolidated Financial Statements</u>			<u>Separate Financial Statements</u>		
	<u>Pre-reclassified</u>	<u>Reclassification</u>	<u>Reclassified</u>	<u>Pre-reclassified</u>	<u>Reclassification</u>	<u>Reclassified</u>
Balance sheets						
Trade account receivable-net	127,334,094	(1,604,241)	125,729,853	-	-	-
Short-term investment-net	1,867,000	(1,867,500)	-	1,867,000	(1,867,500)	-
Current portion of long-term investment	-	502,703	(502,703)	-	502,703	502,703
Other long-term investment-net	5,807,167	1,364,797	7,171,964	4,877,315	1,364,797	6,242,112
Payable for asset purchased	5,152,693	(2,119,511)	3,033,182	-	-	-
Other current liabilities	27,352,590	(1,072,990)	26,279,600	9,911,614	(4,008,890)	5,902,724
Deposit received from warehouse and land rental	5,279,815	1,588,260	6,868,075	7,914,383	4,008,890	11,923,273
Differences from the changes in shareholding ratio	21,662,863	302,935	21,965,798	-	-	-
Minority shareholders' interest	88,036,954	(302,935)	87,734,019	-	-	-

(Unit : Baht)

	<u>For the year ended December 31, 2009</u>					
	<u>Consolidated Financial Statements</u>			<u>Separate Financial Statements</u>		
	<u>Pre-reclassified</u>	<u>Reclassification</u>	<u>Reclassified</u>	<u>Pre-reclassified</u>	<u>Reclassification</u>	<u>Reclassified</u>
Statement of Income						
Revenue from services	201,420,539	(20,225,563)	181,194,976	152,751,615	(8,974,213)	143,777,402
Revenue from sales	1,094,977,941	(4,027,655)	1,090,950,286	-	-	-
Services of Cost	68,273,703	938,222	69,211,925	-	-	-
Other income	14,765,157	(2,346,323)	12,418,834	22,544,412	(13,597,673)	8,946,739
Selling expenses	49,788,016	(26,599,541)	23,188,475	24,128,835	(22,571,886)	1,556,949
Administrative expenses	70,363,848	(8,148,220)	62,215,628	29,992,877	(7,208,841)	22,784,036
Executives' remuneration	24,084,954	7,281,720	31,366,674	9,926,316	7,281,720	17,208,036
Financial cost	21,983,889	(71,722)	21,912,167	10,743,253	(72,879)	10,670,374

25. Approval of financial statements

These financial statements have been approved for issuance by THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED's authorized directors on February 24, 2011.