



Annual Report 2011

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED



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Annual message from the chairman 2011



Sugar industry is an agriculture industry that generates large amount of revenue for the country from export in each year. For the 2010/2011 producing season, there was 95.359 million tons of sugarcane nationwide, 26.069 million tons, or 37.62 more than the previous year. Production is divided into 4.03 million tons of white sugar, and 5.51 million tons of raw sugar compared with the previous year which had 2.82 million tons of white sugar, and 4.37 million tons of raw sugar, an increase of 42.91% and 26.27% respectively. Furthermore, there are still byproducts; 4.235 million tons of molasses, an increase of 29.23% from the previous year.

For the business performance in 2011, the company and subsidiary had net profit of THB 138.798 million compared with 2010 which had net profit of THB 62.515 million, an increase of THB 76.283 million, or 122.02%. For 2011 specific profit, the company had net profit of THB 68.742 million, a decline from the previous year by THB 63.379 million because in 2010 the company received dividend of THB 93.889 million from subsidiary. When compared with operation profit, the company had THB 30.051 more profit than the previous year, or an increase of 78.61% which was the result of more sugar came in for service than the previous year by 822,480 tons, or an increase of 217.22%.

Throughout 2011, the committee had performed its duty by considering various aspects carefully regarding business operation policy in the company's business investment for both the company and subsidiary, raw material purchase, financial management, operation, personnel, risk management, including considering source of capital that supports the affiliate's business operation for the best interest, as well as realizing the importance of good business regulation and sufficient internal control to focus on the best interest for the company and shareholders.

Finally, on behalf of Thai Sugar Terminal Public Company Limited's Board of Directors, and subsidiary, we would like to thank all shareholders who have always trusted and have supported the company's business. Every director is ready to look after the company's business to ensure stability and growth in the future.



(Mr. Pricha Attavipach)

Chairman

March 15, 2012

Management's Report



Thai Sugar Terminal Public Company Limited and affiliate are determined to meet the demand of each group of customers with quality service provision based on customers' requirement with the goal of being the best service provider. In 2011, the company provided transportation service for raw sugar, white sugar, and molasses, and provided port services for other agricultural products such as rice, wheat, palm oil, etc. For the main product; as much as 1,201,121.160 metric tons of sugar came in for the service compared with the previous year which was at 378,640.910 metric tons, an increase of 822,480.250 metric tons, or 217.22% due to an increase of sugarcane production nationwide by 39.24% causing performance in terms of sugar transportation and depository services in 2011 to be higher than 2010 by as much as THB 30.051 million, or an increase of 78.61%.

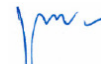
For the investment in the subsidiary since 2006, the company holds 98.82% of authorized capital in TS Flour Mill Public Company Limited. Wheat flour factory started its operation in 2007, and was able to generate profit since the first year of the operation, which the performance gradually improves until today. Later, in 2009, the company invested in another subsidiary called TS Oil Industry Company Limited by holding 94.31 shares to operate palm oil refinery business which started in Q2/2010, and was able to launch palm oil product under the "Raja" brand in the market by distributing the product to superstores, department stores, food processing factories, small stores, and distributing in general stores in the provinces and along the borders. Later, in 2011, the company invested in the installation of polypropylene bottle and lid machine for palm oil product packaging to reduce the cost in order to compete with the competitor in the market which enabled the company to generate profit in Q4/2011, which the consolidated financial statement and income statement is able to reflect the result of the business investment above.

With the investment in various businesses of subsidiary, the management realizes the importance of risk management in various aspects such as marketing risk, liquidity risk, operational risk, and strategic risk in the business operation with the goal to create economic growth and stable return for shareholders and investor in the long run. Furthermore, the management also focuses on human resource, and is determined to develop works in all aspects in parallel with the focus on good business regulation in order for the company to be accepted by current and future shareholders and investors.



(Mr. Prapas Chutimavoraphand)

Chairman of Executive Board




(Mr. Pong Chinthammit)

Vice Chairman of Executive Board

March 15, 2012

Name : Mr. Pricha Attavipach
Age : 74 Years Old
Nationality : Thai



Education Background : Bachelor Degree of Industrial engineering, Chulalongkorn University.
 Master of Industrial Engineering and Management,
 Oklahoma State University U.S.A.

Director's Training : 1. Certificate of Finance for Non - Finance Directors (FND 8/2004)
 2. Certificate of Director Certification Program (DCP 39/2004)
 3. Certificate of Audit Committee Program (ACP 11/2006)
 Thailand Institute of Director (IOD)

Current Position : Chairman/Independent 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 business

(a) Name of non-registered companies that currently hold the position


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.

(b) Name of other registered companies

Chairman	T S Flour Mill Public Company Limited and its 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	

(c) Name of business that may lead to conflict of interest : None

Name : Mr. Chadej Insawang
Age : 65 Years Old
Nationality : Thai



Education Background : Master of Political Science ,Thammasat University
 : Bachelor of Law ,Thammasat University

Director's Training : Certificate of Director Accreditation Program (DAP 76/2008)
 Thailand Institute of Director (IOD)

Current Position : Chairman of Audit Committee/Independent Director
 Thai Sugar Terminal Public Company Limited

Shareholding : None

Relationship with executives or shareholder : None

Director's / Executive's Position in other business

(a) Name of non-registered companies that currently hold the position

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

(b) Name of other registered Companies : None

(c) Name of business that may lead to conflict of interest : None

Name : Mr. Prapas Chutimavoraphand
Age : 74 Years Old
Nationality : Thai



Education Background : Baan Beung Industry School
 : Matayom 6, Banbung School

Director's Training : Certificate of Director Accreditation Program (DAP 17/2004)
 Thailand Institute of Director (IOD)

Current Position : Managing Director and Chairman of Executive Board
 (Authorized Director)
 Thai Sugar Terminal Public Company Limited and its subsidiaries

Shareholding : 2,198,968 shares (1.67%)

Relationship with executives or shareholder : Farther of Mr. Chanachai Chutimavoraphand
 Director and Executive Director

Director's / Executive's Position in other company

(a) Name of non-registered companies that currently hold the position


Senior Executive Vice President	New Kwang Sun Lee Sugar Company Limited
Senior Executive Vice President	New Krung Thai Sugar Factory Company Limited
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.

(b) Name of other registered companies

Chairman of Executive Board	T S Flour Mill Public Company Limited and its subsidiaries
Senior Executive Vice President	Khon Kaen Sugar Company Limited

(c) Name of business that may lead to conflict of interest : None

Name : Mr. Pong Chinthammit
Age : 55 Years Old
Nationality : Thai



Education Background : Bachelor Degree of Science, Industrial Technology,
 Roger Williams University

Director's Training : Certificate of Director Accreditation Program (DAP 10/2004)
 Thailand Institute of Director (IOD)

Current Position : Senior Executive Vice President and Vice Chairman of Executive Borad
 (Authorized Director)
 Thai Sugar Terminal Public Company Limited and its subsidiaries

Shareholding : None

Relationship with executive or shareholder : Uncle of Mr. Win Chinthammit, Non-executive Director

Director's / Executive's Position in other company

(a) Name of non-registered companies that currently hold the position

Executive Vice President	Prachuab Industry Company Limited
Executive Vice President	K.C. Agriculture Company Limited
Director	K.S.L. Export Trading Company Limited

(b) Name of other registered companies : None

(c) Name of business that may lead to conflict of interest : None



Name : **Mr. Chanachai Chutimavoraphand**

Age : 40 Years Old

Nationality : Thai

Education Background : Bachelor 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.

Director's Training : Certificate of Director Accreditation Program (DAP 37/2005)
Thailand Institute of Director (IOD)

Current Position : Executive Director (Authorized Director)
Member of Nominating 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 and its 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 : 46 Years Old

Nationality : Thai

Education Background : Bachelor Degree of Economics, Thammasat University.

Director's 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	Mitrkaset Industry Company Limited
Director	Wattanakul Oxygen company Limited

(b) Name of other registered companies

Executive Director	T S Flour Mill Public Company Limited and its subsidiaries
Member of Nominating and Remuneration Committee	

(c) Name of business that may lead to conflict of interest : None



Name : **Mr. Suang Ruangsook**

Age : 78 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 : Audit Committee and Independent Director
Thai Sugar Terminal Public Company Limited and its subsidiaries

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 Public Company Limited
Director	PTDL 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 : 64 Years Old

Nationality : Thai

Education Background : Bachelor Degree of Accounting, Chulalongkorn University.

Director Training : Certificate of Director Accreditation Program (DAP 30/2004)
Thailand Institute of Director (IOD)

Current Position : Audit Committee and Independent directors
Chairman of the Nominating and Compensation Committee
Thai Sugar Terminal Public Company Limited and its subsidiaries

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	: 43 Years Old	
Nationality	: Thai	
Education Background	: BBA, Finance and Banking, Assumption University 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 Non-Executive Director	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Vice President	New Kwang Sun Lee Sugar Company Limited	
Executive Vice President	Tamaka Company Limited	
Executive Vice President	New Krungthai Sugar Factory Company Limited	
Executive Vice President	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 and its subsidiaries	
Executive Vice President	Khon Kaen Sugar Public Company Limited	
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Somchai Chinthammit	
Age	: 60 Years Old	
Nationality	: Thai	
Education Background	: Diploma, 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	: 215,090 shares (0.16%)	
Relationship with executives or shareholder	: Uncle of Mr. Chalush Chinthammit Non-Executive Director	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Director	New Kwang Sun Lee Sugar Company Limited	
Executive Director	Tamaka Company Limited	
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 and its subsidiaries	
Member of Nominating and Remuneration Committee		
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	: 37 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 Board	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Vice President	Prachub 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	: 45 Years Old	
Nationality	: Thai	
Education Background	: Bachelor Degree of Marketing, California State University at San bernariono (BA). Master Degree of Marketing & 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 and its subsidiaries	
Member of Nominating and Remuneration Committee		
(c) Name of business that may lead to conflict of interest : None		

<p>Name : Ms. Jutatip Arunanondchai</p> <p>Age : 41 Years Old</p> <p>Nationality : Thai</p> <p>Education Background : BSC. in Mathematics with Management, Imperial College, University of London, 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.</p> <p>Director Training : 1. Certificate of Monitoring the Internal Audit Function (MIA 5/2009) 2. Certificate of Monitoring the System of Internal Control and Risk Management (MIR 6/2009) 3. Certificate of Monitoring Quality of Financial Reporting (MFR 9/2009) 4. Certificate of Audit Committee Program (ACP 26/2009) 5. Certificate of Director Accreditation Program (DAP 78/2009) 6. Certificate of Monitoring Fraud Risk Management (MFM 6/2011) Thailand Institute of Director (IOD)</p> <p>Current Position : Independent Director and Member of Nomination and Remuneration Committee 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. Suphorm Chayovan</p> <p>Age : 75 Years Old</p> <p>Nationality : Thai</p> <p>Education Background : 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.</p> <p>Director Training : 1. Certificate of Director Accreditation Program (DAP 77/2009) 2. Certificate of Director Certificate Program (DCP 112/2009) Thailand Institute of Director (IOD)</p> <p>Current Position : Executive Director Thai Sugar Terminal Public Company Limited and its subsidiaried</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 and its 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 and its subsidiaries
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Director	Chiang Mai Night Bazaar																		
Director	Net get jet company limited																		
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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 and its subsidiaries																		

<p>Name : Mr. Charnkrij Dejvitak</p> <p>Age : 38 Years Old</p> <p>Nationality : Thai</p> <p>Education Background : 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.</p> <p>Director Training : Certificate of Director Accreditation Program (DAP 79/2009) Thailand Institute of Director (IOD)</p> <p>Current Position : Executive Director Thai Sugar Terminal Public Company Limited and its subsidiaried</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 Company Limited</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 and its 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 Company Limited	Managing Director	T S Flour Mill Public Company Limited and its subsidiaries	
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 Company Limited										
Managing Director	T S Flour Mill Public Company Limited and its subsidiaries										

**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.

The company has five subsidiaries of the company by the subsidiary companies operate in a different. The performance ended December, 31 2012. The total income of the business 2,476.36 baht¹ net profit 127.96 million baht. The summary profit from each company are as below :

1. Thai Sugar Terminal (Public) Co., Ltd.	: good loading and wharf service business ;	226.95 million baht	or	9.16	% of gross income.
2. T. S. Warehouse Co., Ltd.	: warehouse business service ;	93.99 million baht	or	3.80	% of gross income.
3. T. S. Flourmill (Public) Co., Ltd.	: wheat flour factory business ;	910.65 million baht	or	36.77	% of gross income.
4. T. S. G. Asset Co., Ltd.	: real estate rental business ;	14.81 million baht	or	0.60	% of gross income.
5. T. S. Transportation and Logistics Co., Ltd.	: sack weave factory, product transportation, and security service business ;	62.20 million baht	or	2.51	% of gross income.
6. T. S. Oil Industry Co., Ltd.	: palm oil distilled factory business;	1,167.78 million baht	or	47.17	% of gross income.
Total income :		<u>2,476.38</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 2,270.12 million baht, total liability 1,333.14 million baht, and shareholder's equity 936.98 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.

**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 (One hundred and thirty two million baht) Consisting of common shares of 132,000,000 shares with the value of 1 Baht per share. Paid 131,999,970 shares amounting to 131,999,970 baht (One hundred and thirty million nine hundred ninety nine thousand nine hundred and seventy-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

As the company's business has warehouses for sugar depository as it waits to be loaded onto the vessel, and to be leased out to subsidiary such as (TS Flour Mill Public Company Limited) for storing raw materials such as wheat for distribution. TS Oil Industry Company Limited leases the warehouse for loading various types of oil reducing the area for sugar depository service, coupled with sugar production in 2010/2011 producing season increased from the previous year by as much as 2.701 million ton, or 38.98% causing more sugar coming in for service by as much as 822,480 tons, or an increase of 217.22%. Therefore, in 2011, the company had upgraded and repaired all the damaged part of the warehouse to be ready for more product depository, and to compensate for the part of the warehouse that was upgraded for subsidiary to rent for business operation.

1.2 Operational Risk

The company pays attention to operational risk by inspecting or examining the product, classifying product type, and delivering product according to customers' requirement such as color and sweetness of sugar. Therefore, machinery and equipment maintenance such as conveyor belt, lifting system at the sugar pouring station, as well as various machineries used for transferring the product. Therefore, it is the most important to have scheduled inspection to control the loss in the service or error during the operation because customers have made purchase agreement with foreign buyers which determines daily delivery. The company, as service provider, must deliver product according to the requirement and schedule of the purchase agreements in order to prevent the damage from being fined due to not being able to deliver the product according to the condition.

1.3 Consumers' confidence regarding product's safety

As the trend of consumers' behavior is focused on hygiene, safety, and zero contamination of the product because sugar is more frequently used as cooking ingredient, the company's operation may be affected if consumers' confidence in terms of the company's product safety is reduce due to the risk that the product may be contaminated or product storage is not up to standard, as well as product transfer system onto the vessel or loading of product into containers to be delivery to buyers.

Therefore, to reduce the risk in terms of the impact on consumers' confidence regarding food safety, the company pays great attention to standard procedure by controlling the quality of every step in the production to ensure safety of the company's products that are suitable for making the products for consumption, coordinating, monitoring, and controlling transportation which quality is inspected both in and out in order to be accepted by customers who are the product owners, and product receivers.

1.4 Image of the Organization

Image of the organization affects confidence of interested person which also includes shareholders, investors, and users of the company's service. All of the above are very important for the success of the organization in both short term and in the long term. If the organization has any problem to the extent that it causes a crisis for organization's reputation, it may result in less confidence and trust from the interest persons towards the organization.

To reduce the risk in terms of the impact on the company's image, the company realizes the importance of business regulation, internal control, and risk management. The management also focuses on this matter, and has arrange structure and resource necessary for supporting organization's strategy, and building confidence that the procedure is efficient, effective, and in accordance with the requirement and expectation of interested person. In addition, the company determines that financial information is to be disclosed, as well as other matters sufficiently, transparently, and reliably.



1.5 Fluctuation of foreign exchange rate

Subsidiary imports raw material (wheat) with foreign currency. Therefore, the company may be affected by fluctuation of foreign exchange rate. If baht is weak, cost of raw material when converted into baht will be higher.

Subsidiary manage the risk by having a policy for entering into forward foreign exchange contract for half of the order for transaction that uses foreign currency to reduce the risk of foreign exchange rate fluctuation, it would also enables the company to realize the cost and selling price in baht in order to be used in setting the price of the company's product, and be a security to certain extent that the company would profit as planned. However, entering into such contract does not guarantee that foreign exchange rate will be managed at better rate than the market rate because exchange rate is something that cannot be predicted accurately at the time the contract is entering into.

1.6 Interest rate fluctuation

The risk from interest rate comes from the future changes of interest rate in the market which affects the company's operation and cash flow.

The company manages the risk by having a unit that monitors movement and direction of interest rate closely. Furthermore, the company has a policy to prevent the risk of interest rate fluctuation such as using fixed interest rate in order to be able to accurately estimate cash flow of loan expense throughout the contract period.

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 Warehouse Company Limited increased authorized capital from THB 10 million to THB 200 million to operate wheat flour production factory, and changed its name to TS Flour Mill Company Limited. The operation started in June 2007. The company increased authorized capital by another THB 200 million to THB 400 million, which Thai Sugar Terminal Public Company Limited holds 98.82% of the shares. Later, in February 2010, the authorized capital was reduced to THB 200 million in order to apply to be registered in MAI market, which Thai Sugar Terminal Public Company Limited holds 98.82% of the shares. Later in June 2010, the company had been privatized to public company limited under the name "TS Flour Mill Public Company Limited (TMILL), and an approval was given to change share value from originally THB 100 per share (ONE HUNDRED BAHT) to THB 1 per share (ONE BAHT), and to increase authorized capital by another THB 85 million from originally THB 200 million to make up the new authorized capital of THB 285 million by issuing 85 million new common stocks worth THB 1 each to support new common stocks offering to general investors for the registration in MAI market.



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 95% 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. The average occupancy of 85 percent leased.

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., And to increase the registered capital of 170 million baht to 200 million baht, Thai Sugar Terminal (Public) Co., Ltd. holds 94.31 percent, to be a palm oil factory to consumer.

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, fertilize, 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 2011

As Thai Sugar Terminal Public Company Limited holds more than 90% of each subsidiaries' shares, except for TS Warehouse Company Limited (64.13%) because the company must comply with the condition of Silo, Warehouse, and Cold Storage Business Promotion Group, Market Promotion and Development Division, Department of Internal Trade, Ministry of Commerce regarding directors' shareholding. Therefore, reporting important events in 2011 also includes important events of both the company and subsidiaries.

In February 2011, due to flooding in many provinces in the south had greatly reduced domestic palm oil production from the previous year, the cost of domestic crude palm oil was higher than the selling price of consumption palm oil, coupled with such product is controlled by Department of Internal Trade, Ministry of Commerce, local palm oil production factories had to face the problem of losing money causing the government to allow crude palm oil to be imported from Malaysia to feed palm oil refineries. As mentioned above, TS Oil Industry Company Limited (subsidiary) was also affected from raw material shortage, which started to return to normal at the end of Q2/2011.

In March 2011, Ms. Yaowalak Chutimavoraphand resigned from the company's director due to various engagements that may cause her to be unable to completely dedicate herself to her duty.

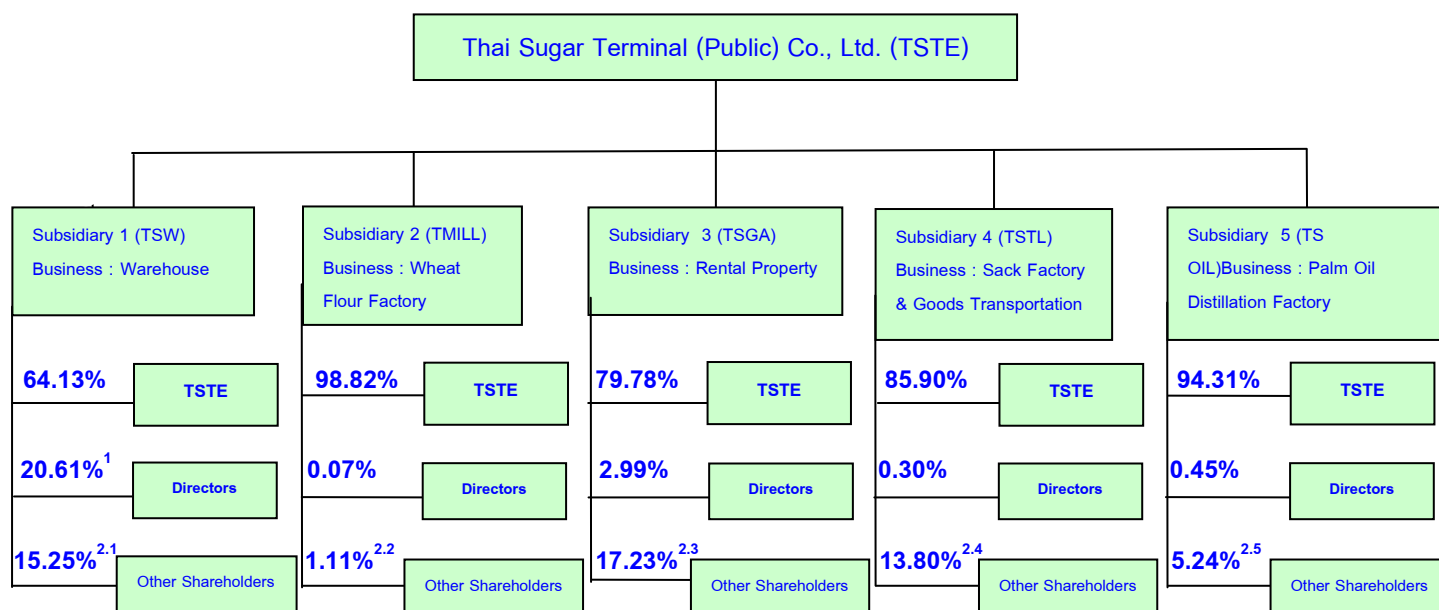
In April 2011, the Annual General Shareholders' Meeting Number 1/2554 which was held on April 28 2011, had a unanimous resolution to pay dividend to shareholders at the rate of THB 0.24 per share (TWENTY FOUR SATANG) which was totaled to THB 31.68 million, which was paid on May 26, 2011.

In October 2011, one third of 12,000 tons of wheat stored at TS Flour Mill Public Company Limited (subsidiary) was on fire, which is used as raw material for wheat flour production. The subsidiary had an insurance that covers accidents caused by fire as well. And, to maintain quality and standard so that customers and consumers are confidence in the subsidiary's products, undamaged wheat from the accident was not used in the wheat flour production but was sold to pet food factories, and new lots of wheat were ordered as a replacement for the lots that were sold.



In November 2011, a major flood occurred in many provinces, except for Samutprakarn, which was not affected. Thai Sugar Terminal Public Company Limited was only affected slightly from heavy rain during the monsoon that caused the flood which slightly damaged the walls between the company and nearby communities. The company's employees and people in the community together helped placing sandbags to block water current, where only small amount of products and few nearby houses were damaged, which the company had already bought an insurance that covers all the products in advance.

Share Holding in Subsidiaries as on 31 December 2011



Note :

1. T.S. Warehouse Co., Ltd. held 20.61 percent of the stock company under the Ministry of Commerce. The condition of the company's warehouse, 1992, stated that the director of operations. Warehouse must hold not less than one-fifth of the shares listed.

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 Jenlarpwattanukul 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
Total other shareholders	15.25	None

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 Chenlarpwatanakul as Co- Committee
Khon Kaen Sugar Industry Public Company Limited	4.10	There are Mr. Prapas Chutimaworaphan, Mr. Charat Chinthammitr, and Mr. Somchai Chinthammitr 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 Ruangasuk	0.17	None
Mrs. Punlap Ruangasuk	0.17	None
Kumphawapi Sugar Co., Ltd.	0.01	None
Total other shareholders	17.23	None

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 Chinthammitr, and Mr. Somchai Chinthammitr 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 Jenlapwattanakul as Co- Committee
Prachuap Industry Co., Ltd.	0.25	There are Mr. Phong Chinthammitr and Mr. Win Chinthammitr as Co- Committee
Total stock of 16 Shareholders	0.25	None
Total other shareholders	13.80	None

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 Jenlapwattanakul as Co Committee
Prachuap Industry Co., Ltd.	0.77	There are Mr. Phong Chinthammitr and Mr. Win Chinthammitr as Co- Committee
Khon Kaen Sugar Industry Public Company Limited	0.62	There are Mr. Prapas Chutimaworaphan, Mr. Charat Chinthammitr, and Mr. Somchai Chinthammitr 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
Total other shareholders	5.24	None

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 789/2012 from the date of August 24, 2011 until August 23, 2012 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. Warehouse and sold them to the Thai Sugar Terminal Limited Public Company Limited in May 2010.

In 2005, TMILL increased authorized capital to THB 200 million which is divided into 2,000,000 common stocks worth THB 100 each to build wheat flour production factory, and changed its name to TS Flour Mill Company Limited. In August, 2007, TS Flour Mill Company Limited increase authorized capital to THB 400 million which is divided into 4,000,000 common stocks worth THB 100 each to be used as working capital in wheat flour business operation, and in February 2010, the authorized capital was reduced to THB 200 million in order to apply to be registered in MAI market, which Thai Sugar Terminal Public Company Limited holds 98.82% of the shares. Later in June 2010, the company had been privatized to public company limited under the name "TS Flour Mill Public Company Limited (TMILL), and changed share value from originally THB 100 per share (ONE HUNDRED BAHT) to THB 1 per share (ONE BAHT), and increased authorized capital by another THB 85 million from originally THB 200 million to make up the new authorized capital of THB 285 million by issuing 85 million new common stocks worth THB 1 each to support new common stocks offering to general investors for the registration in MAI market.

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 6 years from 31 January 2012 – 31 January 2022 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 18 May 2011 – 17 May 2012 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 (HALAL) : registered no. KorAorTor. HorLor. B131/2008 which is valid for 1 year from 5 June 2011 – 4 June 2012 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 2011 – 24 June 2014 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 July 2011– 16 July 2014 with quality check in every 6 months. This will guarantee the Food Safety Management System of T S Flourmill Co., Ltd.

8. Health Hazard Business License From the Municipality Poochao samingprai : Registration number at age 1 year 647/2011 from 28 June 2011 - 27 June 2012 for ensure that the operation must not cause nuisance.

9. License for personal transportation with goods or items transporting vehicle : from Department of Land Transport, registration number SorPor.Bor.160/2550 which is valid for 5 years from March 16, 2007 to March 15, 2012 for the company's transportation (bulk truck).

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. The later 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. The present two current residential tenants have 95 percent of all rooms.

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 661/2011 from 21 June 2011 - 20 June 2012 for operate the 262 room hotel.

4. Health Hazard Business License (TSGA 2) From the Municipality Poochao samingprai. Registration number at age 1 year 860/2011 from 8 October 2011 - 7 October 2012 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 712/2011 from 12 July 2011 - 11 July 2012 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 3 year from 11 March 2011 – 12 January 2013 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 2011 - 29 September 2012 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 3 years from the date of 31 May 2010 – 31 December 2012 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 16 August 2011 – 9 August 2012 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 1 March 2011 – 1 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) aged 1 year from the date of 20 September 2011 – 20 September 2012. To be approved Hazard Analysis and Critical Control Point.

11. Certificate, use the Halal. Registration No. 169/2010 King of the Halal brand. Committee's job is one year from the date of 5 April 2011 until April 4, 2012 to ensure that the product has been produced for sale to consumers under the conditions required for Halal certification.

12. Certificate, use the Halal. Registration No. 169 (2) / 2010 Big C brand of Islamic Affairs. Committee's job is one year from the date of August 10, 2011 until August 9, 2012 to ensure that the product has been produced for sale to consumers in full. Conditions for Halal.



13. Permit the use of waste materials outside the plant. .5401-6394 A registration number from the Department of Industrial Works Ministry of Industry is one year from the date of August 31, 2011 until August 21, 2012 for waste materials that are not used outside the factory.

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 8 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 2011

Company	Business	Authorized Capital (million baht)	Paid-up capital	Share (%)	Cost of Capital (million baht)	Capital Value (million baht)	Other Shareholder with more than 10% of of stock
TS Warehouse Co., Ltd.	Warehouse & goods storage	50	12,500,000	664.13	10.073	60.125	Mitr Kaset Industry Co., Ltd. ¹
T S Flourmill Co., Ltd.	Wheat flour factory and property rental	200	200,000,000	998.82	197.794	294.986	-
T S G Asset Co., Ltd.	Property rental and service apartment	50	50,000,000	779.78	40.611	70.160	-
T S Transport and Logistics Co., Ltd.	Plastic sack package, goods transportation ,and security service	80	80,000,000	885.90	68.718	69.679	Khon Khen Sugar Co., Ltd. ²
T S Oil Industry Co., Ltd.	Palm oil distillation	200	200,000,000	994.31	191.346	168.179	-

Subsidiary's Shareholder more than 10% share

1. Mitr Kaset Industry Co., Ltd, The company holds a warehouse Co., Ltd. 14.15 percent 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.

2. Khon Kaen Sugar Industry Public Company Limited The company holds Transport and Logistics Limited 10.13 percent 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 by Mr. Prapas Chutimavoraphand Mr. Chalush Chinthammit Mr. Somchai Chinthammit The committee in Khon Kaen Sugar Industry Public Company Limited and Thai Sugar Terminal Public Company Limited and its subsidiaries.

Revenue from Profit & Loss Statement

(Unit : Thousand Baht)

Revenue Structure by Business Type	Year 2009		Year 2010		Year 2011	
	Value	%	Value	%	Value	%
Service business						
Loading and service	80,162	6.04	58,375	3.18	146,655	6.21
Preservation & store	68,690	5.17	25,440	1.39	53,952	2.28
Warehouse rent	26,150	1.97	21,500	1.17	15,202	0.64
Service apartment	6,193	0.47	7,677	0.42	8,248	0.35
Total of service business	181,195	13.65	112,992	6.16	224,057	9.48
Business sales						
Business wheat plants	1,063,197	80.10	898,604	49.02	897,788	38.00
Palm oil mill business	-	80.10	780,372	42.57	1,158,206	49.02
Plastic bag factory business	27,753	2.09	21,510	1.17	39,486	1.67
Total sale revenue	1,090,950	82.19	1,700,486	92.77	2,095,480	88.70
Real estate sales	42,770	3.22	2,265	0.12	23,000	0.97
Other income						
Interest	562	0.04	537	0.03	645	0.03
Money exchange profit	1,685	0.13	4,326	0.24	2,998	0.13
Other income	10,233	0.77	12,437	0.68	16,321	0.69
Total other income	12,480	0.94	17,300	0.94	19,964	0.85
Total revenue	1,327,395	100.00	1,833,043	100.00	2,362,501	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% current capacity is the average percentage from 70 to 75.
- T S G Asset Co., Ltd. The room occupancy rate of the second after at least 95 percent.
- T S Transport and Logistics Co., Ltd. : In order to increase sales capacity Polypropylene packaging. Sales to major customers such as sugar and flour mills and agricultural customers include rice, fertilizer, feed sacks of sand. And other medical transport services to the customers using the company's long history.



- 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. I can make a profit in 4Q 2011 and promote the market for palm oil products, "RAJA" to be recognized and accepted. Customer markets, wholesalers, retailers and food industry customers.

3.Business Operation

3.1 Freight services and services for rent warehouse wharf

In the year of production 2010/2011 sugar cane into the chest through a number of 95.359 million tons, an increase of the production year 2009/2010 of 26.069 million tons were 41.70 with a yield as white sugar, the amount of 4.03 million tons. 5.50 million tons of raw sugar and sugar to 1.29 million tons is also a by-product of such. Molasses and another 4.24 million tons of Thai Sugar Terminal Public Company Limited to provide the service of unloading the vessel. Rent a boat dock. The products available for rent. Services sack waiting to transport goods to other countries or for delivery to the domestic distribution, 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 ; The current wait for delivery there are 2 buckets with 24,000 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 4 Tanks with 40,000 ton capacity to T. S. Oil Industry. keep waiting for the refining process and increase to 4 tanks in 2009.



C. Pier ; total 3 ports (16A, 16B, 16C), 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 2011 and 2010

Service	2011	2010
Warehouse rental space (square metres)	49,717	49,717
Service area (%)	85.89	73.68

NOTE : The warehouse space has increased from a year ago, the sack of sugar into the service 28.30 percent.

Pile goods warehouse rental space	2011	2010
Storage capacity: service space	165,000	165,000
Product use current average(%)	575.01	48.84

NOTE : The use of bulk warehouse space increased from a year ago, the bulk of the sugar was used up. 421.465 percent.

Type and Quantity of Goods

Unit : metric ton

Goods	2011	%	2010	%
Raw Sugar	948,766	69.28	181,943	34.39
White Sugar	252,355	18.43	196,699	37.18
Molasses	133,612	9.76	110,630	20.91
Rice	7,571	0.55	27,714	5.24
Steel	-	-	7,177	1.36
Timber	-	-	611	0.11
Oil palm	-	-	500	0.09
Rubber sheet	-	-	380	0.07
Acid palm oil.	2,802	0.20	-	-
CPO Separate the eggs	24,384	1.78	-	-
Other goods			3,440	0.65
Total	1,369,490	100.00	529,094	100.00

Target Customer

The Company's main customers are factories with a staff member who is a shareholder and director. The target is the non-sugar and sugar free. The plant location is appropriate to use in the transportation services, including factories in the north. East North Central with a service station near the ship. Job. Located near the Gulf of Thailand away from the deep sea port at Laem Chabang in Chonburi, Sriracha and the mainland.



For sugar factory in middle part, Rachaburi, Kanchanaburi, will come to the ring road freight industry. The transportation is convenient, fast and cost savings for our customers even more. The quantity of sugar to use a specific product only. Other agricultural crops. Will benefit from the convenience of transportation as well, and to support the product. To enter into a service company. To improve both the service and cargo handling to be much faster. The convenience and benefits to customers and to encourage the use of our products better.

In addition, the Company, To find other groups, I used to waiting for delivery or service through the port, including corn, wheat starch, MSG, oil, steel coil, wood and other renewable products from the sugar industry in the production off the chest of sugar and gradually handed over to a foreign country.

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. Which control the rate and type of service. Compared to the same standards as the port. Port the product. The rental equipment. Freight rates for the main raw sugar and white sugar. And warehouse. Serving of sugar transport. The service at the same rate as agreed between the warehouse and factory output in the company. I try to keep the cost of services while maintaining the quality of services and seek ways to maximize the benefits to our customers continuously.

If you fail to comply with any agreement with the Company will notify the customer to jointly find solutions and to prevent damage that may occur.

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 without the cost of moving multiple chips. Maintenance and storage facility to maintain quality of the customer is in good condition from the time until delivery. The use of mechanical devices that can effectively work with the fast pace and schedule.

Warehouse for preservation and loading to the ocean liner :

Samudprakan (located on Chao Praya River bank)

1. Thai Sugar Terminal (Public) Co., Ltd.
2. Mittr 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. 007/2011, 008/2011 and 009/2011 which is valid for 1 year from 30 March 2011 – 29 March 2012. 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 Transfer to the deposit and molasses into the fleet. This requires installation of manholes and pump molasses storage tank and pump from the tank when I unload the delivery pipe to the ocean. The dam is surrounded by cars of molasses storage tanks, all with a solid material to accommodate the volume of sugar that may overflow or leak from the tank. Not less than one-fourth of the total volume of the tank (6 tanks total capacity of 64,000 metric tons).

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 715/2011 from the date of 12 July 2011 – 11 July 2012 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).



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	102,796,906.89 18,948,000.00 265,666.88	Guarantee the credit received from financial institutions. ^{1/} Guarantee the credit received from financial institutions. ^{2/} -
	Total			122,010,573.77	
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	29,617,345.38 5,306,065.77 53,962,254.69 128,789,071.13 92,945,188.79 7,207,283.36	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			317,827,209.12	



No.	Asset (Type / Location)	Area	Type of Ownership	Book Value	Contingent Liability
3	Machinery, Tools and Equipment				
	Thai Sugar Terminal Public Company Limited		Owner	1,185,188.17	-
	T S Warehouse Company Limited		Owner	6,412,390.66	-
	T S G Asset Company Limited		Owner	278,073.59	-
	T S Oil Industry Company Limited		Owner	342,755,729.17	Guarantee the credit received from financial institutions. ^{6/}
	T S Flour Mill Public Company Limited		Owner	244,686,004.41	Guarantee the credit received from financial institutions. ^{4/}
	T S Transport and Logistics Company Limited		Owner	63,883,370.21	Guarantee the credit received from financial institutions. ^{5/}
	Total			659,200,756.21	
4	Furniture and Office Equipment				
	Thai Sugar Terminal Public Company Limited		Owner	612,931.32	-
	T S Warehouse Company Limited		Owner	29,520.69	-
	T S G Asset Company Limited		Owner	40,066.32	-
	T S Oil industry Company Limited		Owner	3,645,909.90	-
	T S Flour Mill Public Company Limited		Owner	1,623,183.25	-
	T S Transport and Logistics Company Limited		Owner	162,214.93	-
	Total			6,113,826.41	
5	Automobiles				
	Thai Sugar Terminal Public Company Limited		Owner	422,412.94	-
	T S Warehouse Company Limited		Owner	282,736.56	-
	T S Flour Mill Public Company Limited		Owner	8,269,517.66	-
	T S Transport and Logistics Company Limited		Owner	1,104,109.14	-
	T S Oil industry Company Limited		Owner	7,860,650.00	-
	T S G Asset Company Limited		Owner	1.00	-
	Total			17,939,427.30	
	Total			1,123,091,792.81	

Note : The Company and its subsidiaries changed their accounting policy are accounted for plant and equipment. The same group of companies. The more lenient accounting methods when they are revalued according to the Federation Account No. 25/2006 on account of revaluation. The company intends to change its accounting policy the cost method. Which according to the Federation's No. 18/2011 is recorded on the revaluation of the company chose to use the past as defined in Accounting Standard No. 8 (revised 2009) Accounting Policies a change in accounting estimate and errors. This resulted in total assets as at 31 December 2010 on a consolidated basis decreased by 676.29 million baht, financial statements decreased by 633.57 million baht'

^{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

In 2011 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; Resolve 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 (Bath/Share)	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
2011	2010	67,652,201	0.51	0.24	31.68 million Baht



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. The Thai Sugar Terminal Public Company Limited have invested in expanding its business to The Committee also recognizes the benefits to the shareholders of the Company. Shall be proposed at the Annual General Meeting of Shareholders for approval dividends paid to shareholders in the ratio of 10 shares per one stock dividend and increased its registered capital by issuing 12 million shares of its common stock dividend to shareholders for the company registered capital of 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.

In 2011 the Annual General Meeting of Shareholders No. 1/2011 on the 28 April 2011, the Company has agreed that the need for working capital decreases and then unanimously approved the company dividend for the year 2010 to the shareholders at Baht 0.24 per share (twenty-four cent) the total amount of 31.680 million baht.

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.

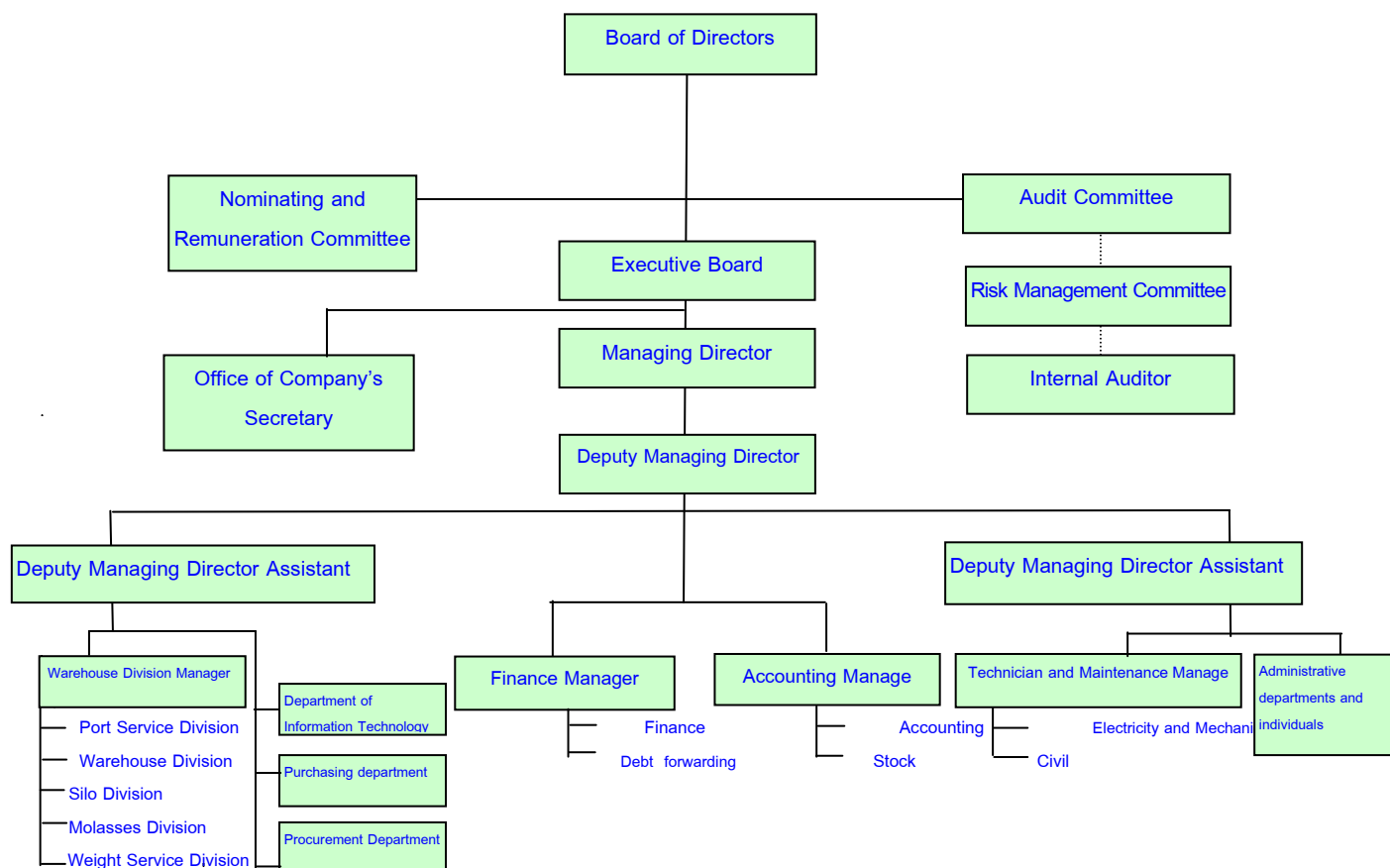
Major Shareholders during the past years ended on 31 December 2011 and 2010

No.	Name of Shareholders	2011		Name of Shareholders	2010	
		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	28,873,680	21.87	Mr.Chanachai Chutimavoraphand	28,873,680	21.87
3	Prachuab Industry Co., Ltd.	12,826,440	9.72	Prachuab Industry Co., Ltd.	12,826,440	9.72
4	Mrs. Yaowanuch Dejvitak	10,778,200	8.16	Miss Yaowanuch Chutimavoraphand	11,580,790	8.77
5	Ratchaburi Sugar Co.Ltd.	5,544,000	4.20	Ratchaburi Sugar Co.Ltd.	5,544,000	4.20
6	Mitr kasetr Co., Ltd.	5,518,999	4.18	Mitr kasetr Co., Ltd.	5,518,999	4.18
7	Miss Yaowaluck Chutimavoraphand	4,668,690	3.54	Miss Yaowaluck Chutimavoraphand	4,668,690	3.54
8	Mrs. Boonprom Chinbhilas	2,349,600	1.78	Mrs. Boonprom Chinbhilas	2,349,600	1.78
9	Mr. Prapas Chutimavoraphand	2,198,968	1.67	Mr.Wichai Chinthammit	2,000,000	1.52
10	Mrs. Patcharee Chinthammit	1,369,998	1.04	Mr.Weekit Wongwattanasin	1,320,000	1.00
11	Other shareholders	30,397,421	20.02	Other shareholders	26,797,421	19.60
	Total number of shares	131,999,970	100.00	Total number of shares	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 follows:

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 18 January 2012. It consists of 15 members as follows.

- 6 Executive Directors
- 4 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 2011 – April 2014
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 2011 – April 2014
10	Mr.Chalush Chinthammit	Director	July 2010 – April 2013
11	Mr.Somchai Chinthammit	Director	April 2011 – April 2014
12	Mr.Dhanadol Sujiphinyo	Director	April 2011 – April 2014
13	Miss Jutatip Arunanondchai	Independent Director	December 2011 – April 2014
14	Dr. Suphorm Chayovan	Director	April 2009 – April 2012
15	Dr. Charnkrij Dejvitak	Director	April 2009 – April 2012
16	Miss Yaowalak Chutimavoraphand *	Director	May 2010 – April 2012

Note : 1. The annual ordinary shareholders' meeting No. 1/2011 on 28 April 2011 had the resolution to appoint the directors who are due to retirement to be re-selected for another term as follows :

1. Mr. Pricha Attavipach
2. Mr. Win Chinthammit
3. Mr. Somchai Chinthammit
4. Mr. Dhanadol Sujiphinyo
5. Miss Jutatip Arunanondchai

2. Miss Yaowalak Chutimavoraphand Resigned as a director since March 2011

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.

Thai Sugar Terminal Public Company Limited the definition of independent directors in accordance with the minimum requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

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 2011 compared with as of 2010**

No.	Name of Directors	Number of Shares (Shares)		Number of Shares Increased (Decreased) during the Year	% of Shares Eligible to Vote
		31 December 2011	31 December 2010		
1	Mr. Pricha Attavipach*	-	-	0	0.00
2	Mr.Prapas Chutimavoraphand	2,198,968	430,399	1,768,569	1.67
3	Mr.Pong Chinthammit	-	-	0	0.00
4	Mr.Chanachai Chutimavoraphand	28,873,680	28,873,680	-	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	66,000	0	0.05
11	Mr.Somchai Chinthammit	215,090	215,090	0	0.16
12	Mr.Dhanadol Sujiphinyo	1,320,000	1,320,000	0	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

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 2011, the Board of Directors held 12 meetings with the following details of each director.

Directors' Meeting in 2011

No.	Name of Directors	number of times in meeting attendance/ number of total meetings	Note
1	Mr. Pricha Attavipach1	12/12	-
2	Mr.Prapas Chutimavoraphand	12/12	-
3	Mr.Pong Chinthammit	12/12	-
4	Mr.Chanachai Chutimavoraphand	11/12	-
5	Mr.Narong Chenlarpwatanakul	11/12	-
6	Mr.Chadej Insawang	11/12	-
7	Mr.Suang Ruangsook	12/12	-
8	Mr.Nisakorn Parkpean	12/12	-
9	Mr. Win Chinthammit	10/12	-
10	Mr.Chalush Chinthammit	9/12	-
11	Mr.Somchai Chinthammit	10/12	-
12	Mr.Dhanadol Sujiphinyo	10/12	-
13	Miss Jutatip Arunanondchai	11/12	-
14	Dr. Suphsorn Chayowan	12/12	-
15	Dr. Charnkrij Dejvitak	12/12	-
16	Miss Yaowalak Chutimavoraphand	1/3	Resigned from the Board on March 2011

Meeting of the Board of Directors of the 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 :

1. 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 1 in 3 of all directors. Currently, the company has 5 independent directors from the total of 15 directors. Every independent director has the qualifications as stipulated by the laws and regulations.
2. 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.
3. 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 2011

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 2011 the Audit Committee has met 5 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 2011 shall be as follows :-

Name of Directors	number of times in meeting attendance/ number of total meetings	Term of office
Mr.Chadej Insawang	5 / 5	April 2010 - April 2013
Mr.Suang Ruangsook	5 / 5	April 2010 - April 2013
Mr.Nisakorn Parkpean	5 / 5	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. The auditors of the Company and its subsidiaries for the year 2011 as followings :

Thai Sugar Terminal (Public) Co., Ltd.

- | | |
|--------------------------------|-----------------|
| - Miss. Prapasri Leelasupha | CPA No. 4664 or |
| - Miss. Parinda Nganprasertkij | CPA No. 5123 |

T S Flour Mill (Public) Co., Ltd.

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

T S G Asset Co., Ltd.

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

T S Oil Industry Co., Ltd.

- | | |
|------------------------|--------------|
| - Miss. Wannee Sukpeng | CPA No. 8423 |
|------------------------|--------------|

T S Transport and Logistics Co., Ltd.

- | | |
|------------------------|--------------|
| - Miss. Wannee Sukpeng | CPA No. 8423 |
|------------------------|--------------|

T S Warehouse Co., Ltd. In

- | | |
|-----------------------------|--------------|
| - Miss. 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 Mr. Suksree Aumpawan from Dharmniti Auditing. The internal auditors of the Company to the 2011 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 2011, 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 Audit Committee is responsible for corporate governance 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. 2/2012 on 23 February 2012 has concluded its evaluation of the board of directors will be assessed. The Committee was aware of his duties in 2011, which contains the most recent was 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 good.
2. Non-executive directors understand and comply in the normal range.
3. Board of Director and Audit Committee comply with the criteria very well.

The results of the Board of Directors has considered and agreed that the current joint operations of the company. More concrete, but also some of the company. Just within the establishment and operation. It takes time to improve. To set guidelines for a better standard for the year 2011 has improved the performance of various aspects of the company in a better way than a year ago.

**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 1 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 2011</u>	<u>31 December 2010</u>	<u>(Decreased) During the Year</u>
1	Mr. Prapas Chutimavoraphand	2,198,968	430,399	1,768,569
2	Mr. Pong Chinthammit	-	-	-
3	Mr. Chanachai Chutimavoraphand	28,873,680	28,873,680	-
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

The company has established a Risk Management Committee on August 2009 as executive director of a non-executive directors and the names of two persons as the below list :

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

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 Tritheppratima 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 2011 , 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 The total amount 537,734 Baht by the account number is 522,500 Baht and the cost of the audit of 15,234 Baht. Furthermore Sam Nak Ngan A.M.C. Co., and the auditor is a person or item that might cause a conflict of interest with the Company and is not a shareholder of the Company and its affiliates.

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 / 2011 on 28 April 2011 approved the remuneration for the year 2011 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 a time (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 / 2011 on 28 April 2011 approved the bonus payments to the committee for not more than four times the monthly remuneration received.

**Directors' Remuneration as of 31 December 2011**

Unit : Baht / Year

No.	Name	Remuneration	Meeting Allowance	Bonus	Gasoline Allowance	Total
1	Mr. Pricha Attavipach	360,000	120,000	120,000	96,000	696,000
2	Mr.Prapas Chutimavoraphand	180,000	120,000	60,000	0	360,000
3	Mr.Pong Chinthammit	180,000	120,000	60,000	0	360,000
4	Mr.Chanachai Chutimavoraphand	180,000	105,000	60,000	0	345,000
5	Mr. Narong Chenlarpwatanakul	180,000	110,000	60,000	0	350,000
6	Mr.Chadej Insawang	180,000	110,000	60,000	0	350,000
7	Mr.Suang Ruangsook	180,000	110,000	60,000	0	350,000
8	Mr.Nisakorn Parkpean	180,000	125,000	60,000	0	365,000
9	Mr.Win Chinthammit	180,000	100,000	60,000	0	340,000
10	Mr. Chalush Chinthammit	180,000	90,000	60,000	0	330,000
11	Mr.Somchai Chinthammit	180,000	100,000	60,000	0	340,000
12	Mr.Dhanadol Sujiphinyo	180,000	110,000	60,000	0	350,000
13	Miss Jutatip Arunanondchai	180,000	125,000	60,000	0	365,000
14	Dr. Suphsorn Chayowan	180,000	120,000	60,000	0	360,000
15	Dr. Charnkrij Dejvitak	180,000	120,000	60,000	0	360,000
16	Miss Yaowalak Chutimavoraphand	45,000	10,000	-	0	55,000
	Total	2,925,000	1,695,000	960,000	96,000	5,676,000

Note : 1. Miss Yaowalak Chutimavoraphand To the board last month in March 2011

Remuneration for Audit Committee for the Year 2011

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	10	5,874,720
Bonus	10	2,072,240
Living Expenses and Gasoline Allowance	10	346,648
Total	10	8,293,608

Note : The Executive Board consist of 6 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 2011, the company had 56 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 2011, all the company's employees received the total remuneration of 17,483,231 Baht as follows :-

Salary	10,145,946 .- Baht
Bonus	3,170,340 .- Baht
Overtime	3,217,435.- Baht
Living Expenses and Others	701,400 .- Baht
* Welfare	- .- Baht
Funds	<u>248,110 .- Baht</u>
Total	<u>17,483,231.- Baht</u>

Note : Welfare consists of :-

1. Compensation paid under the Labour Protection Act, the employee will retire
2. Employees Provident Fund (retirement money) paid to employees who will retire. If an employee works at least 10 years of the last half of the salary scale has been multiplied by the number of years employees have worked for in 2011. The full retirement age

Provident fund

The company established a provident fund for employees since 2008, by deduction from salary at a rate of 2 percent by the year 2011 can deduct contributions to a number of 248,110 Baht per the Fund and welfare related. amount paid to employees. Apart from contributions to fund the company's number of 248,110 Baht. In addition, the company also has a retirement benefit. Paid to employees of the last half of the salary scale has been multiplied by the number of years worked. The employee will receive the full amount of the company. When employees retire or will retire prior to maturity. By the age of not less than 10 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

The committee deems that the company has regular meetings and monitors the company's performance by listening to problems and taking part in setting business operation goal, as well as determining compensation for employees, and report performance, as well as given an opportunity to employees to ask questions for transparency. In terms of organizational structure, the company strictly complies with public company law and other relevant laws. The company has a written moral requirements and restrictions that prohibit management and employees to act in the manner that causes conflicting interest with the company, and emphasizes on morality as a public organization.

- Risk Management Measure

The company organized regular Audit Committee meetings according to the requirement, and continuously monitors the result of improvement according to recommendation, as well as assesses external and internal risk factors by analyzing events that cause the risk factors, cause of risk factors, and risk mitigation measure. Significant matter will be discussed at the committee and the management meetings, and employees will be notified of risk management measure by organizing a meeting for the unit relating to that particular risk factor.

- Management Control Activities

The committee had clearly determined in writing the scope of duty, and the limit and approval authority of the management in each level, and there was no violation against the law last year.

- Information and Communication Measure

Responsibilities are clearly prioritized for supervision and disclosure of various company's information.

- 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 2011, 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.

Corporate governance in various fields

1. Right and equality of shareholders

The rights of shareholders

The company had facilitated every shareholder to receive fundamental rights as investors in securities and as owners of the company with accepted and reliable standard by giving the right to purchase, sell, or transfer securities held by shareholder freely, participation in important decision making of the company such as directors appointment, dividend payment approval, auditor appointment, and others. Every company's shareholder has the right to vote according to number of shares they hold, which each share has one voting right, and no share has special privilege in limiting the right of other shareholders.

Apart from the fundamental rights above, the company still has the following activities that promote and facilitate the exercise of shareholders' rights;

1. Provide important and necessary information to shareholders regarding the company's business operation clearly and up to date, although some matter is not required by the law to be disclosed. If the company deems that any matter is necessary for shareholders to know, the company will notify shareholders via the company's website, and news of listed companies in the Stock Exchange of Thailand.

2. Every shareholder receives necessary and sufficient information regarding the meeting dates and agendas in advance, which the company published shareholders' meeting information accompanying the agendas on the website and document delivery. Furthermore, shareholders' rights were notified for attending the meeting and shareholders' voting rights clearly in the document that the company has sent together with the meeting appointment letter.

3. In case shareholders cannot attend the meeting in person, the company gives shareholder the opportunity to authorize an independent director or any person to attend the meeting on their behalf by using the power of attorney that the company has sent together with the meeting appointment letter. Furthermore, shareholders may also download the power of attorney from the company's website.

4. Before the date of shareholders' meeting, the company gives shareholders the opportunity to propose an agenda or a person to be appointed as a director at the Annual General Shareholders' Meeting. In 2011, the company gave the opportunity to shareholders to propose during February 1-28, 2011 for the Nomination Committee to filter before proposing to the company's Board of Directors for consideration once more.

5. On the meeting date, the company organized registration which was convenient and quick for shareholder. Furthermore, voting in each agenda, the company used the method of collecting voting cards from shareholders to count the votes for each agenda. At the end of the meeting, shareholders may request for the details for verification.

6. In each year of shareholders' meeting, one third of the total number of directors will complete their terms, which new directors will be appointed at the meeting. The company gives the opportunity to shareholders to be able to freely vote for each person to be appointed.

7. At the meeting, shareholders were given the opportunity to comment, recommend, or pose questions freely before voting in any agenda. Furthermore, the company sufficiently provided shareholders with sufficient detailed information. For the agenda that shareholders have any doubt or question, the company had prepared related personnel from each field to provide answer under the responsibility of the company's Board of Directors.

8. Any agenda at the shareholders' meeting, shareholders may request for secret voting if shareholders requests for such voting method, and 5 shareholders acknowledge for the shareholders' meeting to vote using secret voting method.



Furthermore, the company determined that there shall be an agenda relating to directors' remuneration by classifying the type of remuneration that directors in each committee will receive as monthly remuneration, meeting allowance, and the company's director's bonus. If a change in directors' remuneration is proposed, it must be approved by the shareholders' meeting.

Shareholders' Equality

The company treats every shareholders equally, either major shareholders, minority shareholders, institutional investors, or foreign shareholders, especially minority shareholders such as;

1. Determining that an independent director shall be responsible for looking after minority shareholders, which minority shareholders may propose, comment, or complain to an independent director who will take appropriate action for each matter such as if it is a complaint, the independent director will verify the fact, and look for appropriate remedial method, or in case of a recommendation which the independent director considered and deemed as significant that affects interested persons overall, or affects the company's business operation,

the independent director will propose such matter at the shareholders' meeting for consider determining it as an agenda at the shareholders' meeting.

2. The company's Board of Directors had determined preventative measure for illegal usage of internal information (Insider Trading) of relevant person which means the company's Board of Directors, the Management, and employees in the unit relating to the information.

3. For the shareholders' meeting, the company had prepared the power of attorney which shareholders may determine the direction of the voting as prescribed by Ministry of Commerce, and sent it together with shareholders' meeting appointment letter. Furthermore, the company also gave the right to shareholders who attended the meeting after the meeting had already begun to vote for the agenda that was being considered, and had not been voted, which the forum shall be counted from the agenda that the shareholders have joined the meeting and voted onwards, except for the shareholders' meeting deems otherwise.

4. The company has Independent Directors who have the responsibility to look after minority shareholders, which minority shareholders may contact independent directors for various matters relating to one's right through independent directors directly, and may authorize any independent director to attend the shareholders' meeting to represent the shareholder and maintain the shareholder's right.

After the meeting

The company will submit periodic reports. The note of the meeting and vote on the question of the shareholders of each agenda item to the Stock Exchange of Thailand and other relevant agencies and the public on its website for investors and the general public in time

The shareholders of the visit

The company provides its shareholders visit after completion of the annual general meeting every year. The visit by personnel within the company, such as port operations and staff, including the stock and pour the sugar. Truck weighing room. Station and the molasses and the shareholders of the Company wishes to visit a plant wheat. Refining. Mill and factory. The Personnel Committee has the authority to take you to the satisfaction of the shareholders.

2. Information Disclosure and Transparency

The company focuses on information disclosure because it is the matter that affects the decision of investors and interested persons. Therefore, it is necessary to have control and to determine measure for information disclosure for either financial information or nonfinancial information as prescribed by the law which is substantial, complete, sufficient, reliable, and in time in both Thai and English version, which is disclosed through SET Community Portal of the Stock Exchange of Thailand, and the company's website. For information disclosure, the company had assigned the Managing Director, or Assistant Managing Director to disclose the information. Furthermore, the company's secretariat is responsible for contacting institutional investors, and shareholders equality and fairly.

The company strictly adheres to the laws, rules, and regulations prescribed by the Office of Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and other government agencies, and regularly monitors, amend, and change to ensure that the laws, rules, and regulations adhered by the company are up to date, and are a guarantee for shareholders to have confidence in transparent business operation such as;



1. Disclose financial information and nonfinancial information accurately, completely, and in timely manner.
2. Prepare a report of the committee's responsibility for financial report, and display it together with the auditor report in the annual report.
3. Determine that directors and executives must disclose information relating to their interest and related persons in case having an interest relating to the company.
4. Disclose performance information of subcommittee and number of time each directors attend the meeting individually.
5. Disclose operation structure and investment in subsidiaries and joint ventures clearly.
6. Disclose remuneration information each director receives from being a director in the subcommittee individually.
7. Disclose director's remuneration payment policy, including format, manner, and amount of remuneration each director receives for being a director in various committees.

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.

For providing social assistance during the great flood in late 2011, the Company and its subsidiaries have donated goods, palm oil products TS Industrial Co., Ltd. (a subsidiary) that are used for food for the flood victims. amounting to 82,800 Baht.

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 2011, 15 Company Committee are 5 independent committee, 6 executive committee, and 4 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' meeting 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 (10 February 2012), there are 15 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. 4 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.



And 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 2011 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 2011 on 31 October 2011 <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. Supasorn Sukanin 7. Mr. Trakarn Choonharojrit 8. Ms. Duangkae Chinthammit 9. Ms. Duangdao Chinthammit 10. Mr. Thatchapong Pakornsiriwongse 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 : Ms. Jutatip Arunanondchai	As of 31 December 2011 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 2011 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. <u>Mr. Win Chinthammit</u>
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 : Mr. Narong Chenlarpwatanakul	As of 31 December 2011 1. Mr. Mu Chenlarpwatanakul 22.29% 2. Mr. Prayoon Chenlarpwatanakul 16.43% 3. Mr. Prasarn Cenlarpwatanakul 16.36% 4. Mr. Narong Chenlarpwatanakul 5.74%	1. Mr. Fa Chenlarpwatanakul 2. Mr. Anon Kaewpruksapimol 3. Mr. Mu Chenlarpwatanakul 4. Mr. Prayoon Chenlarpwatanakul 5. Mr. Prapat Chenlarpwatanakul 6. Mrs. Napaporn Poowuttikul 7. <u>Mr. Narong Chenlarpwatanakul</u> 8. Mr. Prawing Chenlarpwatanakul 9. Mr. Prasutr Chenlarpwatanakul

**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 2011. 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 Y2011 Installment ending 31st December 2011

Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2010	Y2011
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	30.53
	T S FLOUR MILL PUBLIC CO., LTD.		5.25	1.98
	T S TRANSPORT AND LOGISTICS CO., LTD.		1.89	1.89
	TS OIL INDUSTRY CO., LTD.		2.14	3.21
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	-
T S G ASSET CO., LTD.			5.11	5.58
TS OIL INDUSTRY CO., LTD.			0.73	-
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.	-	2.69
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	11.82
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		3.12	12.99
	PRACHAUP INDUSTRY CO., LTD.		4.93	5.42
	TAMAKA SUGAR INDUSTRY CO., LTD.		4.27	5.87
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		0.49	3.30



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2010	Y2011
	RAJBURI SUGAR CO., LTD.		3.61	8.82
	MITR KASET SUGAR INDUSTRY CO., LTD.		1.60	1.31
	Eastern Sugar & Cane Co., Ltd.		-	0.92
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	26.73
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	1.10
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		0.27	1.78
	PRACHAUP INDUSTRY CO., LTD.		0.07	0.15
	TAMAKA SUGAR INDUSTRY CO., LTD.		0.12	0.51
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		0.02	0.46
	MITR KASET SUGAR INDUSTRY CO., LTD.		0.16	1.41
	RAJBURI SUGAR CO., LTD.		-	0.20
THAI SUGAR TERMINAL PUBLIC CO., LTD.	RAJBURI SUGAR CO., LTD.	The company offers deposit products and molasses. The company is charged on the general market.	-	0.07
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	4.47
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		3.27	3.89
	PRACHAUP INDUSTRY CO., LTD.		1.39	2.80
	TAMAKA SUGAR INDUSTRY CO., LTD.		1.58	2.50
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		0.04	1.27
	RAJBURI SUGAR CO., LTD.		1.22	-
	MITR KASET SUGAR INDUSTRY CO., LTD.		0.25	-
	Eastern Sugar & Cane Co., Ltd.		-	0.09



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2010	Y2011
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	3.09
NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.			0.81	3.54
PRACHAUP INDUSTRY CO., LTD.			0.48	0.66
TAMAKA SUGAR INDUSTRY CO., LTD.			0.61	0.94
RAJBURI SUGAR CO., LTD.			0.29	1.27
MITR KASET SUGAR INDUSTRY CO., LTD.			0.48	0.36
NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.			0.03	1.21
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	0.01
	T S G ASSET CO., LTD.		0.19	0.19
	T S FLOUR MILL PUBLIC CO., LTD.	Shovel tractor and weighing service at the market rate.	0.34	-
	TS OIL INDUSTRY CO., LTD.		0.30	0.45
	T S TRANSPORT AND LOGISTICS CO., LTD.		0.02	0.01
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	2.13
	T S WAREHOUSE CO., LTD.		2.26	1.13
	T S FLOUR MILL PUBLIC CO., LTD.		0.58	0.60
	TS OIL INDUSTRY CO., LTD.		0.31	0.60
	T S G ASSET CO., LTD.		0.43	0.54
	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	6.62
THAI SUGAR TERMINAL PUBLIC CO., LTD.	RAJBURI SUGAR CO., LTD.	The company provides painting and sealing service for sugar sacks.	0.03	0.04
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.		-	0.03
	PRACHAUP INDUSTRY CO., LTD.		-	0.11
T S WAREHOUSE CO., LTD.	RAJBURI SUGAR CO., LTD.	T S WAREHOUSE CO., LTD. other services	-	0.17
	PRACHAUP INDUSTRY CO., LTD.	The company is charged on the general market	-	0.07
PARA H-TECH CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	PARA H-TECH CO., LTD. Rental cars, The Company and its subsidiaries as market price.	0.09	0.36
	T S WAREHOUSE CO., LTD.		0.15	-



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2010	Y2011
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	9.31
	TS OIL INDUSTRY CO., LTD.		0.01	-
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.		3.67	2.59
	MITR KASET SUGAR INDUSTRY CO., LTD.		1.25	0.52
	TAMAKA SUGAR INDUSTRY CO., LTD.		3.68	4.50
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		-	2.83
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		0.75	2.75
	PRACHAUP INDUSTRY CO., LTD.		-	1.73
	RAJBURI SUGAR CO., LTD.		-	0.02

The above inter-company transaction items are consistent with the normal business service conditions, and were verified at the Board of Directors' Meeting No. 1/2012 dated 20 February 2012.

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 2011

Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2010	Y2011
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	Account receivable	1.47	0.90
		Other receivables	-	1.90
		Account payable	-	1.45
		Deposit received from warehouse rental	2.78	4.95
		Accrued interest	0.09	0.09
	T S FLOUR MILL PUBLIC CO., LTD.	Deposit received from warehouse rental	1.03	1.03
		Accrued revenue	0.70	-
	TS OIL INDUSTRY CO., LTD.	Accrued Interest	0.30	0.60
		Account receivable	0.02	0.04
		Deposit received from warehouse and land rental	1.29	1.39
	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	0.02
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	-	0.27
		Other receivables	-	0.72
		Accrued discount payable	-	0.18
	RAJBURI SUGAR CO., LTD.	Account receivable	0.11	0.71
		Accrued discount payable	0.29	1.56
		Other receivables	-	10.35
	MITR KASET SUGAR INDUSTRY CO., LTD.	Accrued discount payable	0.48	0.36
	Eastern Sugar & Cane Co., Ltd.	Account receivable	-	0.01
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Account receivable	-	1.60
		Accrued discount payable	-	0.34
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.35
		Accrued discount payable	-	0.11
T S WAREHOUSE CO., LTD.	TS OIL INDUSTRY CO., LTD.	Accrued Interest	0.03	0.14
	T S TRANSPORT AND LOGISTICS CO., LTD.	Accrued Interest	-	0.02
		Deposit paid for warehouse rental	-	1.06
	RAJBURI SUGAR CO., LTD.	Account receivable	0.11	0.51
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	0.05	0.05
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Account receivable	-	1.60
	TAMAKA SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.43
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.43
	MITR KASET SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.10



Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2010	Y2011
T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	Account payable	1.41	0.39
		Accrued transport expenses	0.43	0.28
	TS OIL INDUSTRY CO., LTD.	Deposit paid for warehouse rental	-	0.49
T S G ASSET CO., LTD.	TS OIL INDUSTRY CO., LTD.	Accrued interest	0.20	0.04
	T S TRANSPORT AND LOGISTICS CO., LTD.	Accrued interest	-	0.02
T S TRANSPORT AND LOGISTICS CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	-	2.78
	PRACHAUP INDUSTRY CO., LTD.	Account receivable	-	0.93
	TAMAKA SUGAR INDUSTRY CO., LTD.	Account receivable	-	1.85

Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2010	Y2011
THAI SUGAR TERMINAL PUBLIC CO., LTD.	TS Flour Mill Public Company Limited	THAI SUGAR TERMINAL PUBLIC CO., LTD. receive dividends from its subsidiaries	93.84	-

9.1.3 Land Rental for Y2010 Installment ending 31 December 2010, and Y2011 Installment ending 31 December 2011

Lesser	Lessee	Key Item Characteristics	Amount (million baht)	
			Y2010	Y2011
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	-
		Rent land of 7,013 square meters to build an office building and a wheat production factory.	4.21	4.55
	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	2.74
	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, Y2011 Installment ending

31 December 2011

Unit : million baht

Borrower	Lender	Balance Brought Forward	New loans	Repayment	Balance	Paid Interest
		1 st Jan 2011	Between Installment	Between Installment	31 st Dec 2011	Y2011
THAI SUGAR TERMINAL PUBLIC CO.,	T S WAREHOUSE CO., LTD.	35	-	(10)	25	0.77
	T S G ASSET CO., LTD.	-	-	(10)	-	0.05
	T S FLOUR MILL PUBLIC CO., LTD.	-	-	(10)	-	0.04
TS OIL INDUSTRY CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO.,	92	-	(22)	70	3.64
	T S WAREHOUSE CO., LTD.	17	18	-	35	0.53
	T S G ASSET CO., LTD.	13	3	-	16	0.34
T S TRANSPORT AND LOGISTICS CO., LTD.						
	T S G ASSET CO., LTD.	-	5	-	5	0.05
	T S WAREHOUSE CO., LTD.	-	10	-	10	0.01

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 2011**

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 2011	
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	54.00	25	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	440.49	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	3	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	695	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, repaid in full year 2011 with a long-term credit loan of 280 million baht. In the year 2008, the Company paid the principle of 40 million baht, In 2009 the company has short-term loans from financial institutions in the form of promissory notes of 59 million baht in 2010, the Company repaid a loan of 25 million and in 2011 the company repaid a loan of 9 million baht 25 million. the T S FLOUR MILL PUBLIC CO., LTD. is a guarantee of payment in the amount 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. Long-term loans from financial institutions. To invest in machinery for the production of plastic bags from abroad. The loan term of 60 million baht in 2009, the Company repaid long-term loans to finance the full amount, and in 2011 the company has short-term loans from financial institutions in the form of a promissory note for 3 million to buy. Polypropylene material produced by THAI SUGAR TERMINAL PUBLIC CO., LTD. and as guarantor to pay the amount of 85 million baht.

^{4/} TS OIL INDUSTRY CO., LTD. obtained a short-term loan of 559 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. In 2011, the Company has outstanding loans of 10 million baht outstanding 136 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 2011, 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 2011.

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 2011, 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.



10. Financial Status and Performance

10.1 Financial Statement

10.1.1 Summary of Auditor Report

In 2011 the company's financial statements and consolidated financial statements of the Company and its subsidiaries. Reviewed by Ms. Praphasri Leelasupa of AMC Office Co., Ltd., with CPA No. 4664 from AMC Office Co., Ltd., which financial statements for the year ended December 31, 2011 have been prepared in accordance with accounting standards and financial reporting. In 2011 the Company adopted the Financial Report out several new and revised edition, issued by the Federation. Which requires compliance with the financial statements for fiscal years beginning on or after 1 January 2011 onwards, the Company changed its accounting policy on accounting. By the first consolidated financial statements and Separate financial statements as of December 31, 2010 to reflect changes since the implementation of the report and updated. Changes in accounting policies that comply with the decision very carefully. And has been adequately disclosed in the notes to the financial statements and have been audited and an unqualified opinion from independent auditors. The financial statements reflect the financial position. Overall result And cash flows in recent years that is transparent and beneficial to the shareholders and investors.



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, 2009 to December 31, 2011

Unit : Thousand Baht

Balance Sheets	Audited					
	2009	%	2010	%	2011	%
Assets			(Restated)			
Cash and cash equivalent items	37,723	1.67	56,994	3.30	102,104	4.50
Trade accounts receivable-net	125,730	5.57	237,754	13.75	300,524	13.24
Current portion of long-term investment	503	0.02	750	0.04	-	-
Inventories	328,281	14.53	269,819	15.61	691,061	30.44
Real estate development cost	41,824	1.85	40,272	2.33	39,252	1.73
Other current assets	13,350	0.59	12,004	0.69	7,360	0.32
Total current assets	547,411	24.23	617,593	35.73	1,140,301	50.23
Non-current assets						
Investments in subsidiary companies	-	-	-	-	3,161	0.14
Long-term loan	7,172	0.32	2,966	0.17	-	-
Investment Property	-	-	135,909	7.86	132,696	5.85
Property, plant and equipment-net	1,704,294	75.44	971,313	56.19	989,381	43.58
Other non-current assets	252	0.01	759	0.04	4,580	0.20
Total non-current assets	1,711,718	75.77	1,110,947	64.27	1,129,818	49.77
Total assets	2,259,129	100.00	1,728,540	100.00	2,270,119	100.00
Liabilities						
Overdrafts and Short-term loans from financial institutions	328,299	14.53	457,281	26.45	942,493	41.52
Trade accounts payable	6,408	0.28	89,932	5.20	104,388	4.60
Short-term loans from other persons	58,000	-	-	-	-	-
Current portion of long-term loans	60,000	2.66	60,000	3.47	80,000	3.52
Accrued income tax payable	12,622	0.56	22,648	1.31	26,327	1.16
Accrued discounts payable	17,207	0.76	21,560	1.25	19,515	0.86
Other current liabilities	29,313	1.30	14,649	0.85	14,962	0.66
Total current liabilities	511,849	22.66	666,070	38.53	1,187,685	52.32
Long-term loans	228,904	10.13	206,000	11.92	116,000	5.11
Deposit received from warehouse and land rental	6,868	0.30	2,523	0.15	2,263	0.10
Liabilities for employee benefits	-	-	-	-	26,392	1.16
Other non-current liabilities	57	0.00	760	0.04	797	0.04
Total non-current liabilities	235,829	10.44	209,283	12.11	145,452	6.41
Total liabilities	747,678	33.10	875,353	50.64	1,333,137	58.73
Shareholders' equity						
Authorized share capital	132,000	5.84	132,000	7.64	132,000	5.81
Issued and paid-up share capital	132,000	5.84	132,000	7.64	132,000	5.81
Differences on revaluation of assets-the company	664,634	29.42	-	-	-	-
Differences on revaluation of assets-subsidiary companies	32,804	1.45	-	-	-	-
Differences on change in fair value of investment	(2,393)	(0.11)	-	-	-	-
Differences on the changes in shareholding ratio in subsidiary companies under common control	21,966	0.97	-	-	-	-
Other elements of the shareholders	-	-	10,846	0.63	11,047	0.49
Retained earnings						
Appropriated : Legal reserve	13,200	0.58	13,200	0.76	13,200	0.58
Unappropriated	561,506	24.85	627,626	36.31	702,618	30.95
Total shareholders' equity of the company	1,423,717	63.02	783,672	45.34	858,865	37.83
Minority shareholders' equity	87,734	3.88	69,515	4.02	78,117	3.44
Total shareholders' equity	1,511,451	66.90	853,187	49.36	936,982	41.27
Total liabilities and shareholders' equity	2,259,129	100.00	1,728,540	100.00	2,270,119	100.00



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE BALANCE SHEETS
For the year ended December 31,2009 to December 31, 2011

Unit : Thousand Baht

Balance Sheets	Audited					
	2009	%	2010	%	2011	%
Assets			(Restated)			
Cash and cash equivalent items	2,787	0.18	4,412	0.56	11,550	1.47
Trade accounts receivable-net	6,599	0.42	16,624	2.09	17,025	2.17
Current portion of long-term investment	503	0.03	-	-	-	-
Short-term loans to subsidiaries	-	-	19,000	2.39	19,000	2.42
Real estate development cost	34,663	2.23	34,186	4.30	37,223	4.75
Other current assets	1,851	0.12	689	0.09	768	0.10
Total current assets	46,403	2.99	74,911	9.43	85,566	10.92
Non-current assets						
Investments in subsidiaries	706,176	45.46	508,543	64.01	508,543	64.89
Long-term loans to related parties.	-	-	73,000	9.19	51,000	6.51
Long-term loan	6,242	0.40	2,523	0.32	2,724	0.35
Investment Property	-	-	76,230	9.59	74,291	9.48
Property, plant and equipment-net	794,692	51.15	59,302	7.46	60,344	7.70
Other non-current assets	21	0.00	21	0.00	1,181	0.15
Total non-current assets	1,507,131	97.01	719,619	90.57	698,083	89.08
Total assets	1,553,534	100.00	794,530	100.00	783,649	100.00
Liabilities						
Overdrafts and Short-term loans from financial institutions	59,000	3.80	34,000	4.28	-	-
Trade accounts payable	298	0.02	4,983	0.63	10,134	1.29
Trade accounts payable subsidiary	1,001	0.06	-	-	-	-
Short-term loans from subsidiaries	10,000	0.64	-	-	25,000	3.19
The long-term debt due within one year	60,000	3.86	20,000	2.52	-	-
Accrued income tax payable	3,588	0.23	1,846	0.23	9,184	1.17
Accrued discounts payable	17,207	1.11	21,560	2.71	19,515	2.49
Other current liabilities	5,903	0.38	1,502	0.19	3,226	0.41
Total current liabilities	156,997	10.11	83,891	10.56	67,059	8.56
Long-term loans from subsidiaries	65,000	4.18	35,000	4.41	-	-
Long-term loans from financial institutions	120,000	7.72	-	-	-	-
Liabilities for employee benefits	-	-	-	-	15,010	1.92
Deposit and rent a warehouse and land	11,923	0.77	8,258	1.04	10,263	1.31
Total non-current liabilities	196,923	12.68	43,258	5.44	25,273	3.23
Total liabilities	353,920	22.78	127,149	16.00	92,332	11.78
Shareholders' equity						
Authorized share capital	132,000	8.50	132,000	16.61	132,000	16.84
Issued and paid-up share capital	132,000	8.50	132,000	16.61	132,000	16.84
Surplus on revaluation of assets	664,634	42.78	-	-	-	-
Effects of changes in the fair value of investments	(2,393)	(0.15)	0	0.00	0	0.00
Other elements of the shareholders	0	0.00	(2,112)	(0.27)	(1,911)	(0.24)
Retained earnings						
Appropriated : Legal reserve	13,200	0.85	13,200	1.66	13,200	1.68
Unappropriated	392,173	25.24	524,293	65.99	548,028	69.93
Total shareholders' equity of the company	1,199,614	77.22	667,381	84.00	691,317	88.22
Total shareholders' equity	1,199,614	77.22	667,381	84.00	691,317	88.22
Total liabilities and shareholders' equity	1,553,534	100.00	794,530	100.00	783,649	100.00



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

For the year ended December 31, 2009 to December 31, 2011

Unit : Thousand Baht

Profit (loss)	Audited					
	2009	%	2010	%	2011	%
Revenue from services						
Revenue from services	181,195	13.78	112,992	6.22	266,687	11.38
Income from real estate	42,770	3.25	2,265	0.12	23,000	0.98
Revenue from the sale	1,090,950	60.45	1,700,486	93.65	2,052,850	87.63
Total revenue from operations	1,314,915	100.00	1,815,743	100.00	2,342,537	100.00
The cost of the operation						
Cost of services	69,212	5.26	60,634	3.34	109,789	4.69
Cost of real estate	26,881	2.04	1,605	0.09	14,321	0.61
Cost of sales	937,607	71.31	1,517,704	83.59	1,818,976	77.65
Total cost of operations	1,033,700	78.61	1,579,943	87.01	1,943,086	82.95
Margins	281,215	21.39	235,800	12.99	399,451	17.05
Foreign exchange gains	1,685	0.13	4,326	0.24	2,998	0.13
Gain on sale of investments	-	-	-	-	-	-
Dividend income	61	0.00	53	0.00	73	0.00
Other income	10,734	0.82	12,921	0.71	19,891	0.85
The cost of sales	(23,188)	(1.76)	(23,853)	(1.31)	(27,818)	(1.19)
The cost of administration	(93,583)	(7.12)	(94,101)	(5.18)	(104,882)	(4.48)
Loss of material damage by fire	-	-	-	-	(33,586)	(1.43)
Financial costs	(21,912)	(1.67)	(27,330)	(1.51)	(45,694)	(1.95)
Profit before income tax	155,012	11.79	107,816	5.94	210,433	8.98
Corporate income tax	(47,811)	(3.64)	(45,301)	(2.49)	(68,636)	(2.93)
Net profit	107,201	8.15	62,515	3.44	141,797	6.05
Income						
The holders of the equity.	98,638	7.50	66,120	3.64	127,956	5.46
Gain (loss) of subsidiary companies before buying shares	-	-	-	-	-	-
As part of stakeholders that do not have control of the subsidiary	8,563	0.65	(3,605)	(0.20)	10,842	0.46
Net profit	107,201	8.15	62,515	3.44	138,798	5.93
Profits per partner at the company's shareholders (Baht)	0.75		0.50		0.97	
Number of shares (thousand shares)	132,000		132,000		132,000	



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
Separate Statements of Income
For the year ended December 31, 2009 to December 31, 2011

Unit : Thousand Baht

Profit (loss)	Audited					
	2009	%	2010	%	2011	%
Revenue from services						
Revenue from services	143,777	78.51	116,993	99.30	200,625	91.58
Income from real estate	39,357	21.49	820	0.70	18,450	8.42
Total revenue from operations	183,134	100.00	117,813	100.00	219,075	100.00
The cost of the operation						
Cost of services	51,321	28.02	40,955	34.76	80,163	36.59
Cost of real estate	24,629	13.45	530	0.45	10,225	4.67
Total cost of operations	75,950	41.47	41,485	35.21	90,388	41.26
Margins	107,184	58.53	76,328	64.79	128,687	58.74
Gain on sale of investments	-	-	-	-	-	-
Dividend income	702	0.38	93,889	79.69	73	0.03
Other income	8,947	4.89	10,738	9.11	7,798	3.56
The cost of sales	(1,557)	(0.85)	(325)	(0.28)	(1,475)	(0.67)
The cost of administration	(39,992)	(21.84)	(28,104)	(23.85)	(33,939)	(15.49)
Financial costs	(10,670)	(5.83)	(5,594)	(4.75)	(1,967)	(0.90)
Profit before income tax	64,614	35.28	146,932	124.72	99,177	45.27
Corporate income tax	(18,062)	(9.86)	(14,812)	(12.57)	(30,435)	(13.89)
Net profit	46,552	25.42	132,120	112.14	68,742	31.38
Profits per partner at the company's shareholders (Baht)	0.35		1.00		0.52	
Number of shares (thousand shares)	132,000		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, 2009 to December 31, 2011

Unit : Thousand Baht

Descriptions	Audited		
	2009	2010	2011
<u>Cash flows from operating activities</u>			
Net profit before tax	155,012	107,816	207,434
Adjustments to reconcile net income to net cash provided. (Used in) operating activities			
Dividend income	(61)	(53)	(73)
Bond premium amortization	9	3	5
Cost is higher than the loss of net worth to get	-	2,556	(2,556)
Loss of material damage by fire	-	-	33,586
Doubtful. (Reversal)	7,775	(1,240)	(2,993)
Depreciation	44,828	63,246	58,299
(Gain) loss on sale of assets and dismantled	12,633	318	(653)
Loss on impairment of assets	-	-	249
Liabilities for employee benefits	-	-	2,868
Loss on foreign exchange did not occur	59	1	-
Interest	21,178	26,303	44,785
Profit from operations before changes in operating assets and liabilities	241,433	198,950	340,951
<u>Operating assets (increase) decrease.</u>			
Accounts and notes receivable	53,174	(108,725)	(59,777)
Inventories	66,470	55,906	(452,272)
Property development costs	19,311	1,066	1,020
Current assets	(4,439)	583	3,727
Other non-current assets	934	(507)	(2,972)
<u>Liabilities increase (decrease)</u>			
Trade accounts payable	(25,132)	58,931	10,637
Accrued discount payable	(1,323)	4,353	(2,045)
Other current liabilities	(967)	11,165	312
Deposits received from rental of a warehouse and land	(4,303)	(4,345)	(260)
Other non-current liabilities	6	703	36
Cash provided by (used in) operating activities.	345,164	218,080	(160,643)
Interest paid	(21,221)	(29,184)	(44,675)
Income tax paid	(61,175)	(36,572)	(64,958)
Net cash provided by (used in) operating activities	262,768	152,324	(270,276)

**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES****CONSOLIDATED STATEMENTS OF CASH FLOW (CONT.)****For the year ended December 31, 2009 to December 31, 2011**

Unit : Thousand Baht

Descriptions	Audited		
	2009	2010	2011
Cash flows from investing activities			
Proceeds from dividends	61	53	73
Proceeds from redemption of long-term investment	126	4,500	750
Cash paid for investments in other long-term investments	-	(263)	-
Buy Investment Property	-	(273)	(3,377)
Purchase of property, plant and equipment	(316,407)	(179,990)	(62,691)
Proceeds from sale of fixed assets	757	1,362	1,193
Cash paid for purchase of intangible assets	-	-	(2,327)
Net cash provided by (used in) investing activities	(315,463)	(174,611)	(66,379)
Cash flows from financing activities			
Increase (decrease) in short-term loans from financial institutions	(16,057)	128,982	485,213
Increase (decrease) in short-term loans from other parties	53,000	(58,000)	-
Charges payable for the property	-	(3,033)	(1,767)
The long-term loans from financial institutions	108,904	177,096	-
Repayment of long-term loans from financial institutions	(105,000)	(200,000)	(70,000)
Dividends	-	-	(31,680)
Pay withholding tax on dividends	(1,333)	-	-
Pay dividends to the stakeholders who have the power to control the subsidiary	(359)	(1,121)	-
Repayment of capital to have no interest in gaining control of the subsidiary	-	(2,367)	-
Net cash provided by (used in) financing activities	39,155	41,557	381,766
Cash and cash equivalents Increase (decrease) in net	(13,540)	19,270	45,111
Cash and cash equivalents at beginning of period	51,264	37,724	56,993
Cash and cash equivalents at end of period	37,724	56,994	102,104



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CASH FLOW
For the year ended December 31, 2009 to December 31, 2011

Unit : Thousand Baht

Descriptions	Audited		
	2009	2010	2011
<u>Cash flows from operating activities</u>			
Net profit before tax	64,614	146,933	99,177
Adjustments to reconcile net income to net cash provided. (Used in) operating activities			
Dividend income	(702)	(93,890)	(73)
Bond premium amortization	10	3	(1)
Doubtful (Reversal)	-	-	-
Depreciation	5,143	6,218	7,234
(Gain) loss on sale of assets and dismantled	12,071	(743)	(674)
Loss on impairment of assets	-	-	-
Liabilities for employee benefits	-	-	1,683
Interest	10,671	5,594	1,967
Profit from operations before changes in operating assets and liabilities	91,807	64,115	109,313
<u>Operating assets (increase) decrease.</u>			
Accounts and notes receivable	(2,469)	(9,278)	(401)
Property development costs	17,040	(9)	(3,037)
Current assets	(60)	416	(79)
Other non-current assets	(2)	(1)	-
<u>Liabilities increase (decrease)</u>			
Trade accounts payable	(1,353)	(1,058)	5,158
Accrued discount payable	(1,323)	4,353	(2,044)
Other current liabilities	166	447	1,724
Deposits received from rental of a warehouse and land	(4,230)	(3,666)	2,005
Cash provided by (used in) operating activities.	99,576	55,319	112,639
Interest paid	(10,637)	(5,700)	(1,975)
Income tax paid	(15,327)	(16,554)	(23,096)
Net cash provided by (used in) operating activities	73,612	33,065	87,568



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CASH FLOW (CONT.)
For the year ended December 31, 2009 to December 31, 2011

Unit : Thousand Baht

Descriptions	Audited		
	2009	2010	2011
Cash flows from investing activities			
Increase (decrease) in short-term loans to related parties.	96,000	(19,000)	-
Proceeds from capital in its subsidiaries	-	197,633	-
Cash paid for investments in subsidiaries	(200,000)	-	-
Proceeds from dividends	702	93,889	73
Proceeds from redemption of long-term investment	126	4,500	-
Cash paid for long-term loans to related companies.	-	(73,000)	-
Proceeds from repayment of long-term loans to related companies	-	-	22,000
Buy Investment Property	-	(8,207)	(2,341)
Purchase of property, plant and equipment	(6,707)	(2,998)	(4,509)
Proceeds from sale of fixed assets	210	743	1,187
Cash paid for purchase of intangible assets.	-	-	(1,160)
Net cash provided by (used in) investing activities	(109,669)	193,560	15,250
Cash flows from financing activities			
Increase (decrease) in short-term loans from financial institutions	59,000	(25,000)	(34,000)
Increase (decrease) in short-term investments in subsidiaries and related companies	(4,000)	(10,000)	(10,000)
The long-term loans from financial institutions	0	0	
Repayment of long-term loans from financial institutions.	(60,000)	(160,000)	(20,000)
Dividends			(31,680)
Increase (decrease) in long-term loans from subsidiaries and related companies	38,000	(30,000)	-
Pay withholding tax on dividends	(1,333)	-	-
Net cash provided by (used in) financing activities	31,667	(225,000)	(95,680)
Cash and cash equivalents Increase (decrease) in net	(4,390)	1,625	7,138
Cash and cash equivalents at beginning of period	7,177	2,787	4,412
Cash and cash equivalents at end of period	2,787	4,412	11,550



10.1.3 Keys Financial Ratio

Financial ratios	Unit	Audited		
		2009	2010	2011
<u>Liquidity Ratio</u>				
Liquidity Ratio	Times	1.07	0.93	0.96
Quick Liquidity Ratio	Times	0.34	0.41	0.33
Cash Flow Liquidity Ratio	Times	0.51	0.30	(0.24)
Account Receivable Ratio	Times	8.10	9.98	8.62
Average Collection Period	Days	44.43	36.08	41.77
Inventory Turnover	Times	3.02	5.69	4.27
Average sale time	Days	119.30	63.31	84.25
Account Payable Ratio	Times	4.08	9.58	21.61
Account Payble period	Days	88.33	37.70	16.66
Cash Conversion Cycle	Days	75.39	61.69	109.36
<u>Profitability Ratio</u>				
Gross Profit Margin	%	21.39	12.99	17.05
Operating Profit Margin	%	13.32	7.37	12.13
Other Profit Margin	%	0.01	0.01	0.01
Cash on Profit Ratio	%	1.49	1.13	(0.94)
Net Profit Margin	%	8.08	3.41	5.88
Return On Equity	%	7.25	5.29	15.51
<u>Effeciency Ratio</u>				
Return On Asset	%	4.81	3.71	6.94
Return On Fixed Assets	%	8.92	11.36	16.98
Assets Turnover	Times	0.59	1.06	1.04
<u>Financial Ratio</u>				
Debt/Equity Ratio	Times	0.49	1.03	1.42
Interest Coverage Ratio	Times	8.39	5.18	5.63
The dividend payout ratio	%	-	50.68	-
Dividend per share	Baht	-	0.24	-
Net profit per partner is a shareholder of the Company	Baht	0.75	0.50	0.97
Book value per share	Baht	11.45	6.46	7.10



Financial ratios	Unit	Audited		
		2009	2010	2011
<u>Liquidity Ratio</u>				
Liquidity Ratio	Times	0.30	0.89	1.28
Quick Liquidity Ratio	Times	0.07	0.47	0.69
Cash Flow Liquidity Ratio	Times	0.58	0.27	1.16
Account Receivable Ratio	Times	26.80	10.41	13.71
Average Collection Period	Days	13.43	34.58	26.26
Account Payable Ratio	Times	15.42	27.30	46.79
Account Payble period	Days	23.34	13.18	7.69
Cash Conversion Cycle	Days	(9.91)	21.40	26.89
<u>Profitability Ratio</u>				
Gross Profit Margin	%	58.53	64.79	58.74
Operating Profit Margin	%	38.69	26.36	44.54
Other Profit Margin	%	0.36	42.21	0.03
Cash on Profit Ratio	%	0.99	0.56	0.87
Net Profit Margin	%	24.15	59.40	30.29
Return On Equity	%	3.90	14.15	10.12
<u>Effecency Ratio</u>				
Return On Asset	%	3.04	11.25	8.71
Return On Fixed Assets	%	6.51	102.07	53.25
Assets Turnover	Times	0.12	0.28	0.29
<u>Financial Ratio</u>				
Debt/Equity Ratio	Times	0.30	0.19	0.13
Interest Coverage Ratio	Times	6.06	26.27	51.42
The dividend payout ratio	%	-	23.98	-
Dividend per share	Baht	-	0.24	-
Net earnings per share	Baht	0.35	1.00	0.52
Book value per share	Baht	9.09	5.06	5.24



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 1,327.40 million baht in 2009 up to 2,362.50 million baht in 2011, equivalent to the compound annual growth rate (CAGR) of 33.41% per annum. The two major parts, including with income transfers and products and increased production of palm oil increased. It is the major contributor to our revenue growth in the present.

Therefore, in the year 2011 the revenue structure of the Company has changed as compared to the previous year. The total revenue of 2,362.50 million baht consisted of revenue from sales of wheat flour of 1,158.21 million baht, or equivalent to 49.02%, revenue from sales of palm oil of 897.79 million baht, or 38%, revenue from transfer and service fees of 146.65 million baht, or 6.21%, revenue from depository service of 53.95 million baht, or 2.28%, revenue from sales of plastic sacks of 39.49 million baht, or 1.67%, revenue from the sale of real estate 23 million baht, or 0.97%, revenue from warehouse rental of 15.20 million baht, or 0.64%, revenue from room rental of 8.25 million baht, or 0.35%, and other revenues of 19.96 million baht, or 0.85%, making the total revenue in the year 2011, as compared to the year 2010, increase by 529.46 million baht, or an increase of 28.88%. On the net profit of the year 2011 as compared to that of 2010, The company's net profit increased from 66.12 million in 2010 to 127.96 million in 2011 increased by 61.84 million baht or increase of 93.52% increase in net profit, the key factor that makes the third factor is the amount that was used as the loading and unloading goods. Iron storage increased from a year ago. The total sugar production in the country income from real estate sales, up from last year. In 2011 the company has launched a project to develop two elephants and palm oil sales have increased. However, the company and its implementation plan to achieve maximum efficiency and profitability in the future.

10.2.2 Analysis of Business Performance

Unit : Thousand Baht

Revenue structure classified by business type	2009		2010		2011	
	Amount	%	Amount	%	Amount	%
Service Business						
Transfer and Service Business	80,162	6.04	58,375	3.18	146,655	6.21
Depository Business	68,690	5.17	25,440	1.39	53,952	2.28
Warehouse Rental Business	26,150	1.97	21,500	1.17	15,202	0.64
Apartment Rental Business	6,193	0.47	7,677	0.42	8,248	0.35
Total of Service Business	181,195	13.65	112,992	6.16	224,057	9.48
Sale of Goods Business						
Wheat Flour Factory Business	1,063,197	80.10	898,604	49.02	897,788	38.00
Palm Oil Factory Business	-	-	780,372	42.57	1,158,206	49.02
Plastic Sack Factory Business	27,753	2.09	21,510	1.17	39,486	1.67
Total of Sale of Goods Business	1,090,950	82.19	1,700,486	92.77	2,095,480	88.70
Sale of Real Estate Business	42,770	3.22	2,265	0.12	23,000	0.97
Other Revenues						
Interest Received	562	0.04	537	0.03	645	0.03
Profits from Foreign Exchange	1,685	0.13	4,326	0.24	2,998	0.13
Revenue	10,233	0.77	12,437	0.68	16,321	0.69
Other Revenue	12,480	0.94	17,300	0.94	19,964	0.85
Total Other Revenues	1,327,395	100.00	1,833,043	100.00	2,362,501	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	2009	2010	2011
Raw sugar (BULK)	413,857.46	200,057.51	889,361.29
White sugar	195,487.95	168,247.35	196,761.45
Total sugar	609,345.41	368,304.86	1,086,122.74
Molasses	121,693.67	105,333.89	134,630.52
Total Exports	731,039.08	473,638.75	1,220,753.26

Business and unloading of goods and services depends on the yield of sugarcane and sugar production in the country as a whole. This season, the production of sugarcane in 2010/2011 production was 93.359 million tons of sugarcane production and the year 2009/2010 yield of 68.485 million tons compared. The production of sugarcane in 2010/2011 increased by 24.874 million tons or increase of 36.31 and the amount of sugar produced by the domestic season of the year 2010/2011 amounted to 9.66 million tons or 96.63 million bags and the amount of sugar produced by the domestic season of the year 2009/2010 number. 6.929 million tons, or equal to 69.287 million sacks on the season of the year 2010/2011, up from a year ago of 2.73 million tons, representing a percentage 39.46, the year 2011 the amount of product to use our services, up from last year.

From the table, it is shown that the export volume of sugar in 2009 was 6.09 hundred thousand tons. In the year 2010 amounted to 3.68 hundred thousand tons and in 2011 there were 1.09 million tons comparing these 3 consecutive years, it is found that in 2011 the export volume of sugar was increase from the year 2010 amount 7.18 hundred thousand tons, or increase of 194.90% and increase from the year 2009 of 4.77 hundred thousand tons or decreased by 78.24% and the volume of sugar exports in 2009 amounted to 1.22 hundred thousand tons in 2010 amounted to 1.05 hundred thousand tons and in the year 2011 amounted to 1.35 hundred thousand tons compared to each other 3 years shows that in 2011 the volume of sugar exports increased from the year 2010 of 0.29 hundred thousand tons or more were 27.81% and up from the year 2009 of 0.13 hundred thousand tons or more were 10.63, So in 2011 the company has been handling and the number of 146.65 million baht in 2010 were 58.38 million and in 2009 were 80.16 million, compared to three years shows that in 2011 revenues, up from year 2010. Total 88.28 million or 151.22% increase from the year 2009 were 66.49 million or 82.94%.

**Depository Service**

Table below shows the volume of main goods requesting service

Unit: Metric ton

Import Volume	2009	2010	2011
Raw sugar (BULK)	402,165.85	181,942.51	948,765.71
White sugar	273,757.80	196,698.40	252,355.45
Total sugar	675,923.65	378,640.91	1,201,121.16
Molasses	119,249.88	110,029.49	133,612.21
Total Import	795,173.53	488,670.40	1,334,733.37

Business storage products based on the yield of sugarcane and sugar production in the country as a whole 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 2011 was 1.20 hundred thousand tons, 3.78 hundred thousand tons and 6.76 hundred thousand tons in 2009. By comparing these 3 years, it is indicated that in 2011 sugar was used up from the year 2010 at 8.22 tons, or increase of 217.22% and increase from 2009 amounted to 5.25 hundred thousand tons, or increase of 77.70% and the amount of molasses entered service in 2011 amounted to 1.34 hundred thousand tons, 1.10 hundred thousand tons in 2010, and 1.19 hundred thousand tons in 2009, Compared to 3 years, the amount of molasses to use our services in 2011 increased from the year 2010 of 0.24 hundred thousand tons or more were 21.43 and up from the year 2009 of 0.14 hundred thousand tons or decreased by 12.04. So the company had 2011 storage revenue of 53.95 million baht.

In 2010 there were 25.44 million and 68.69 million in 2009 compared with three years shows that in 2011 revenues up from year 2010 were 23.51 million or 112.07%.

Warehouse Rental Business**Volume of service during the recent years**

Service Type	2009	2010	2011
Space for warehouse renting (sq.m ²)	49,717	49,717	49,717
Space serviced (%)	93.74	73.68	85.89

Notes: The warehouse space has increased from a year ago. The sack of sugar into the service 28.30%.

Bulk Warehouse	2009	2010	2011
Overall capacity for depository storage (metric tons)	165,000	165,000	165,000
Average space used (%)	69.76	48.84	575.01

Note: The warehouse space has increased from a year ago. The bulk sugar into the service 421.465%.



For the year 2011, 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 2011, the Company obtained revenue from warehouse rental of 15.20 million baht, 21.50 million baht in 2010, and 26.15 million baht in 2009. It is clearly seen that in 2011 the Company's revenue from warehouse rental decreased from that of 2010 and 2009. 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 2011, the number of rooms taken was on average 253 rooms, or equivalent to 96.56%, an increase of 23 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, 41 rooms were taken on average, or equivalent to 91.11% equal to that of the previous year.

From the face of rental housing has increased in the year 2011, The Company's income rental housing in 2011 amounting to 8.25 million baht, Increase from the year 2010 of 0.57 million or 7.43% and increase from the year 2009 of 2.05 million or 33.18 %.

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 2011, the Company produced and sold at full capacity. It sold 40,658 tons of wheat flour, or equivalent to 1,807,027 sacks, and wheat bran of 11,797 tons. While in 2010 the Company sold 50,163 tons of wheat flour, or equivalent to 2,229,450 sacks, and wheat bran of 15,288 tons. Comparing both years, the volume sold in 2010 decreased by 19.85% from that of 2010. And compared to the year 2009 the sale of wheat flour were 57,689 tons, equivalent to 2,563,955 bags and wheat bran were 16,153 tons, down from 2009, 28.96% of sales volume in 2011, the company's revenue from the sale of wheat. of 897.79 million baht or 38% of total revenue and compared to the year 2010 with revenues from the sale of wheat flour were 898.60 million, a decrease of 0.82 million as per 0.09, although in 2011 sales volume decreased from 2010, despite gross profit of the company. year 2011, compared with a year ago to 2.25 million or 1.38 percent, the company has plans to control the cost of wheat has the lowest price and production plans in line with the marketing plan focusing on products that can be profitable for the company.

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. Of the market in 2010, including crude palm oil, raw materials are scarce. The impact of raw materials to manufacture in 2010, the company can not use the capacity efficiently. Thus in 2010 the company sold the 26,182 ton capacity, average 43%, with revenue from sales of 780.38 million baht. In 2011 the market situation at the end of Quarter 1 begins with a normal amount of oil to the market, more so in 2011 the company sold a total 29,965 tons, the company provides contract manufacturing, 20 tons, the company has production capacity. 50%, with revenue from the sale of 1,158.21 million baht, compared with a year ago to 377.83 million or 48.41% of the company. Have tried to plan the operation to achieve maximum efficiency and profitability in the future.



Real Estate Business

In 2011 The Company allocated a piece of land of 6 rais 1 ngan 33 square wahs, in order to build commercial buildings and allocation of land. The land was located in Bangchang Sub-district, Samphran District, Nakorn Prathom Province. The 12 land plots and 2 commercial buildings, 19 units value of the project of 62 million baht. The project construction completed since 2011, The company is selling 2 storey commercial building 13 units remaining 6 units.

A subsidiary bought a piece of land to build commercial buildings and townhouse for sale, located in Klongmai Subdistrict, 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, In 2011 the Company to sell the building to house a single and two storey commercial building with 4 units remaining.

Therefore, in 2011, the Company obtained revenue from the real estate business of 23 million baht, Increase from the year 2010 were 20.73 million or 915.45%.

Gross Profit

For the year 2011, the Company had a gross profit of 399.45 million baht, while in 2010 and 2009 the gross profits amounted to 235.80 and 281.21 million baht, respectively. The 2011 gross profit f Increase from that of 2010 by 163.65 million baht, or a Increase of 69.40%, and that of 2009 by 118.24 million baht, or a Increase of 42.04% cause the Company's gross profit in 2011 increased from the year 2010 and 2009 because of income from services, transport and deposit products increased gain on sale of real estate increased from a year ago. The production of palm oil company profits. As a result, the company has a large flat gross profit in 2011 increased from the year 2010 and year 2009.

Net Profit

In 2011, the Company had a net profit of 127.96 million baht, while in 2010 and 2009 the net profits amounted to 66.12 and 98.64 million baht, a compared to 2011 net earnings increased from 2010 were 61.84 million or 93.52 percent increase from the year 2009 were 29.32 million or 29.72 percent.

Liquidity and Source of Funds

During the year 2009 – 2011, the Company had the liquidity ratio of 0.96, 0.93, and 1.07 times, respectively. The liquidity ratio for 2011 increase from that of 2010 and 2009 because in 2011 the Company had current assets totaling of 1,140.30 million baht, consisting of cash and cash equivalent of 102.10 million baht, account receivables of 300.52 million baht, inventory of 691.06 million baht, real estate development cost of 39.25 million baht, other current assets of 7.36 million baht, and current liabilities of 1,187.69 million baht consisting of short-term loans from financial institutions of 942.49 million baht for the purchase of raw wheat, raw palm oil, and plastic granules from abroad, account payable of 104.39 million baht, and loans reaching maturity within 1 year of 80 million baht, and other current liabilities of 60.80 million baht.

During 2009 – 2010, the Company had an average collection period of 44.43, 36.08, and 41.77 days, respectively. In 2011, The time has increased from a year ago, During 2009 – 2011, the Company had an average payment period of 88.33, 37.70, and 16.66 days, respectively. The cash cycle for 2009 – 2011 was 75.39, 61.69, and 109.36 days, respectively, indicating that the Company had a better liquidity.

**Cash Flows****Table: Summary of Cash Flows**

Unit: Thousand baht

	2009	2010	2011
Net cash received (used in) from operational activities	262,768	152,324	(270,276)
Net cash received (used in) from investment activities	(315,463)	(174,611)	(66,379)
Net cash received (used in) from financing activities	39,155	41,557	381,766
Cash and cash equivalents – net increase (decrease)	(13,540)	19,270	45,111
Ending cash and cash equivalents	37,724	56,994	102,104

For the year 2011, the Company received cash from operational activities amounting to 270.28 million baht, expended in investment activities of 66.38 million baht, and received from financing activities of 381.77 million baht. The Company's net cash and cash equivalents increased by 45.11 million baht, resulting in the cash and cash equivalents at the end of the year 2011 amounting to 102.10 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 2011, the Company and its subsidiaries had an available overdraft limit of 87.50 million baht, while the limit of short-term loans from financial institutions was of 895 million baht, of which a sum of 562 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 333 million baht. The Company and its subsidiaries had a long-term loan limit from a financial institution of 620 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. Have repaid all of the early 2011 and a subsidiary to pay to reduce the cost of 140 million baht was paid 80 million baht 60 million and its subsidiaries, one has the money to purchase machinery and equipment. in palm oil production. Palm oil and construction of 146 million baht.

10.2.3 Financial Status**Assets**

Total assets of the Company and its subsidiaries as of 31 December 2011 amounted to 2,270.12 million baht, an increase of 541.58 million baht, or an increase of 31.33%, as compared with the total assets of 1,728.54 million baht as of the end of 2010. The total assets are divided as follows:

Net Land, Buildings, and Equipments

As of 31 December 2011, the Company owned the net amount of land, buildings, and equipments amounting to 989.38 million baht, or equivalent to 43.58% of the total assets. It was an increase of 18.07 million baht, or an increase of 1.86% as compared to the amount at the end of 2010. As in 2011, A subsidiary machinery and other equipment, Used in the production of palm oil.

**Inventory**

As of 31 December 2011, the Company's inventory amounted to 691.06 million baht, or equivalent to 30.44% of the total assets. Such assets consisted of raw materials of 538.21 million baht, work-in-progress of 63.98 million baht, finished goods of 42.64 million baht, supplies of 7.95 million baht, and goods in transit of 71.86 million baht. The increase of 421.24 million or 60.95 percent compared to year-end 2010 due to the management plan for the purchase of raw materials to production and distribution of adequate and appropriate to provide more effective.

Account Receivables**Account Receivables and Notes Receivable - Net**

Unit: Thousand baht

Item	2009	2010	2011
Account Receivables and Notes Receivable due	102,189	126,672	185,046
Classified by Debt Maturity			
Less than 3 months	22,569	94,481	96,532
More than 3 months – 6 months	-	2,359	1,380
More than 6 months – 9 months	-	7,342	-
More than 9 months	10,888	13,517	5,683
Total	135,646	244,371	288,641
Deduct Allowance for Doubtful Debts	(9,916)	(8,676)	(5,683)
Net	125,730	235,695	282,958

As of 31 December 2011, the Company's account receivables amounted to 282.96 million baht, or equivalent to 12.46% of the total assets. When compared to that of 2010, the amount was increased by 47.53 million baht, or an increase of 20.19%. 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 31 December 2011, amounted to 1,333.14 million baht, an increase of 457.78 million baht, or equivalent to an increase of 52.29%, as compared with the total liabilities of 875.35 million baht at the end of 2010. The total liabilities are divided as follows:

Short-term Loans from Financial Institutions

As of 31 December 2011, the Company's short-term loans from financial institutions amounted to 942.49 million baht, or equivalent to 41.52% of the total liabilities. It was an increase of 485.21 million baht, or an increase of 106.10% as compared to the amount at the end of 2010. As in 2011, T S FLOUR MILL PUBLIC CO., LTD. had borrowed from a financial institution in the form of trust receipts and promissory notes of 380.49 million baht to purchase raw wheat from abroad for wheat flour production. Moreover, T S OIL INDUSTRY CO., LTD. had borrowed promissory notes of 559 million baht to purchase raw palm oil for palm oil production. And, T S TRANSPORT AND LOGISTICS CO., LTD. had borrowed promissory notes of 3 million baht to purchase raw plastic granules for plastic sack production.



Long-term Loans from Financial Institutions

As of 31 December 2011, the Company's long-term loans from a financial institution amounted to 196 million baht, or equivalent to 8.63% of the total liabilities. The loans were divided into a long-term loan with 1 year maturity of 80 million baht, and a long-term loan of 116 million baht. It was a decrease of 70 million baht, or a decrease of 26.31%. During 2011 the Company repaid a total of 20 million, and its subsidiaries to repay loans of 50 million baht.

Shareholders' Equity

Shareholders' equity of the Company and its subsidiaries as of 31 December 2011 amounted to 936.98 million baht, an increase of 83.79 million baht, or equivalent to 9.82% as compared to the amount of 853.19 million baht at the end of 2010. The changes are as follows:

- An increase in net profits for the year installment ending 31 December 2011 of 138.79 million baht;
- A decrease in impact of accounting standards for employee benefits of 23.52 million baht;
- A decrease in the amount of dividends paid 31.68 million baht;
- An increase in profits from the sale of investments of 0.20 million baht;

Factors Affecting Future Performance

Warehouse Business

(1) Transportation

The Company is located on the Chao Phraya River bank, 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
62 Floor 7, The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey,
Bangkok 10110
Tel. 0-2229-2879
Fax. 0-2654-5642 0-2654-5645

(b) Debenture Holder's Representative

None

(c) Auditor

Sam Nak Ngan A.M.C. Co., Ltd. By
Ms. Prapasri Leelasupha, Certified Public Accountant No. 4664 or
Ms. Sansanee Poolsawad, Certified Public Accountant No. 6977
191 Silom Complex, Class 19, Unit 4
Silom Road, Silom, Bangrak, Bangkok. 10500
Tel. 0-2231-3980-7
Fax 0-2231-3988
E-mail : amc@amc-mri.com

(d) Internal Auditor

Dharmniti Auditing Co., Ltd. By
Mr. Saksri Aumpawan
267/1 Pracharaj sai 1 Road,
Bangsue, Bangkok 10800
Tel. 0-2587-8080
Fax 0-2586-0301

(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 31 January 2012
Bank of Ayudhya Public Company Limited	Rama III	-	-	25,021.08
Bangkok Bank Public Company Limited	Silom office	10 Million Baht	6.625%	84,367.63
Kasikorn Bank Public Company Limited	Silom	10 Million Baht	7.63%	65,844.56
CIMB Thai Bank Public Company Limited (Current A/C)	Poo Jao Saming Prai	10 Million Baht	7.25%	(2,328)
CIMB Thai Bank Public Company Limited (Savings)	Poo Jao Saming Prai	-	0.50%	208,650.81
Siam Commercial Bank Public Company Limited (Current A/C)	Poo Jao Saming Prai	20 Million Baht	6.625%	(704,997.55)
Siam Commercial Bank Public Company Limited (Savings)	Poo Jao Saming Prai	-	0.50%	12,857,114.73

**Details of Thai Sugar Terminal Public Company Limited's Board of Directors as of 31 December 2011**

Name - Surname - Position	Age	Educational Level /Training	% 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	74	<ul style="list-style-type: none">- Bachelor Degree of Industrial engineering, Chulalongkorn University.- Master Degree Of Industrial Engineering and Management, Oklahoma State University U.S.A.1. Certificate of Finance for Non-Finance Directors (FND 8/2004)2. Certificate of Director Certification Program (DCP 39/2004)3. Certificate of Audit Committee Program (ACP 11/2006) Thailand Institute of Director (IOD)	-	None	2008 - Present	Chairman / Independent 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 G Asset Company Limited - General and Real estate rental service T S Flour Mill Public Company Limited - Wheat Flour Factory T S Oil Industry Company Limited - Palm oil refinery Factory
					2008 - Present	Chairman	
					2008 - Present	Chairman	
					2008 - Present	Chairman	
						<u>Directors / Executives Position in other business</u>	
					2004 - Present	Director / Independent Director / Chairman of the Audit Committee	Thai Rung Union Car Public Company Limited - Automotive products
					2002 - Present	Independent Director / Audit Committee Director	Siam Cement Public Company Limited - Cement Polymers Etc.
					2000 - Present	Chairman	Pan - Paper 1992 Co., Ltd. - Production and distribution Paper products and printing
					2000 - Present	Chairman	Ruamkijaungthong Warehouse Ltd. - Warehouse
					2001 – Present	Chairman	Chaiyananbangplee 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	Chairman	Environment Pulp And Paper Co., Ltd.
					2003 - Present	Chairman	Tongkah Harbour Public Company Limited - Mining resources
					2004 - Present	Chairman	Ekaratpattana Co., Ltd. - Production of ethanol
					2008 - Present	Chairman	Kasest Thai Sugar Refinery Company Limited - Sugar Manufacturing Factory
					2008 - Present	Chairman	Thai Identity Sugar Factory CO., Ltd. - Sugar Manufacturing Factory
					2008 - Present	Chairman	Ruampol Enterprise Company Limited - Sugar Manufacturing Factory
					1993 - Present	Director	S.C. Stark Company Limited - Manufacturing industry Pow
					2001 - Present	Specialist Senior Engineering (Industrial Engineer)	- Council engineers Industrial Engineering
					2002 – Present	Director	- Committee bill Ministry of Labour - Bill Laws
					2004 – Present	Academic Director	- The engineering institute of Thailand under H.M. The king's Patronage (Management systems, occupational health and safety)
					Present	President of the University Council	- Chaopraya University - Education
					Present	Chairman	- Panchuen ruensiri Lady Foundation - Foundation
					Present	Chairman	- Laiarg pamarapa Teacher Foundation - Foundation
					2009 - Present	Chairman	- Industrial Development Foundation - Foundation
Mrs. Sriwan Attavipach (Spouse)			0.04%	(Spouse)			







6. Mr. Chalush Chinthammit Non-Executive Director	43	- 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 Non-Executive Director	2007 – Present 2007 - Present 2007 - Present 2007 - Present 2007 - Present 2007 - Present	Director 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 Flour Mill Public Company Limited - Wheat Flour Factory T S Oil Industry Company Limited - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. - Manufactures plastic bags and transport contractors. 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 K.S.L. Export Trading company Limited – Sugar Exporter 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
7. Mr. Somchai Chinthammit Non-Executive Director	60	- Computer College ,Germany. - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	0.17%	- Uncle of Mr. Chalush Chinthammit Non-Executive Director	2008 - Present 2008 - Present 2011 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present 1980 – Present 1981 – Present 2003 – Present 2003 - Present	Director Director and Member of Nominating and Remuneration Committee Director Director Director Director <u>Directors / Executives Position in other business</u> Executive Director Executive Director Executive Director Executive 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 Flour Mill Public Company Limited - Wheat Flour Factory 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 - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. - Manufactures plastic bags and transport contractors. 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 – Fermentation 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)	37	- 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)	0.74%	- 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	Non-Executive Director Director Director Director Director <u>Directors / Executives 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 - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. - Manufactures plastic bags and transport contractors. Prachuap Industry Company Limited – Sugar Manufacturing Factory K.C. Agriculture Company Limited – Agribusiness
9. Mr. Dhanadol Sujiphinyo Non-Executive Director	45	- Bachelor Degree of Marketing, California State University at Sabernariono (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%	None	2008 - Present 2008 - Present 2011 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present 1998 - Present	Non-Executive Director Director and Member of Nominating and Remuneration Committee Director Director Director Director <u>Directors / Executives 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 Flour Mill Public Company Limited - Wheat Flour Factory 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 - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. - Manufactures plastic bags and transport contractors. Jomtien Garden Resort Hotel, Pattaya - Business hotel
10. Mr. Chadej Insawang Chairman of Audit Committee Independent Director	65	- Master Degree Of Political Science and Bachelor Degree of Law 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 - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. - Manufactures plastic bags and transport contractors.



<p>11. Mr. Nisakorn Parkpean Member of Nominating and Remuneration Committee Member of Audit Committee Independent Director</p>	<p>64</p>	<p>- Bachelor Degree of Accounting, Chulalongkorn University. - Certificate of Director Accreditation Program (DAP 30/2004) Thailand Institute of Director (IOD)</p>	<p>0.14%</p>	<p>None</p>	<p>2008 - Present</p> <p>2009 - Present 2009 - Present 2009 – Present 2009 - Present</p> <p>1996 - Present 2003 - Present</p>	<p>Chairman of Nominating and Remuneration Committee Member of Audit Committee Independent Director</p> <p>Director Director Director Director</p> <p><u>Directors / Executives Position in other business</u> Chairman Managing Director</p>	<p>Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service</p> <p><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 - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. - Manufactures plastic bags and transport contractors.</p> <p>Siam Furline Company limited - Product Loading Business Thai Teak Asset Company Limited - Processed Wood Business</p>
<p>12. Mr. Suang Ruangsook Member of Audit Committee Independent Director</p> <p>Mrs. Prasertsri Ruangsook (Spouse)</p>	<p>78</p>	<p>- Advanced Accounting Certificate, Bangkok Business College. - Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)</p>	<p>0.21%</p> <p>0.06%</p>	<p>None</p> <p>(Spouse)</p>	<p>2000 – Present</p> <p>2009 - Present 2009 - Present 2009 – Present 2009 - Present</p> <p>1977 – Present 1983 - Present</p>	<p>Member of Audit Committee Independent Director</p> <p>Director Director Director Director</p> <p><u>Directors / Executives Position in other business</u> Director Advisory Director</p>	<p>Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service</p> <p><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 - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. - Manufactures plastic bags and transport contractors.</p> <p>PDTL Trading Limited Partnership – Electrical Wire Products Eastern Sugar and Cane Public Company Limited – Sugar Manufacturing Factory</p>





16. Mrs. Arunee Trithepratima Corporate Secretary Secretary to Board of Audit Committee	56	- Bachelor of Communication Arts, Chulalongkorn University. - Diploma of Corporate Secretary Development Program, from Listed Company Association and Faculty of Commerce and Accountancy, Chulalongkorn University	-	None	1982 – Present 2000 – Present 2008 – Present 1982 – Present 1982 – Present 1982 – Present 1982 – Present	Secretary to Board of Directors Secretary to Board of Audit Committee Corporate Secretary Secretary to the Board of Directors Secretary to the Board of Directors Secretary to the Board of Directors Secretary to the Board of Directors	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 - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. - Manufactures plastic bags and transport contractors.
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- 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	
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	Chenlarpwanakul	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 *	O	O	O	O	O	O
15	Dr.Charnkrij	Dejvitak *	O	O	O	O	O	O
16	Mr.Chalermchai	Wongwaiwit		/ ID AC				
17	Mr.Anek	Khamchum		/ ID AC				
18	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.

Audit Committee Annual Report 2011



The Audit Committee of Thai Sugar Terminal Public Company Limited is comprised of 3 independent directors of the company, having Mr. Jadej Insawang as the Chairman, and Mr. Nisakorn Phakphian, and Mr. Saruang Ruengsuk, as the members of the Audit Committee. In 2011, The Audit Committee held 5 meetings, which were attended by every member. Participation of each member was reported in the 2011 annual report, and is summarized as follows;

1. Reviewing quarterly financial report by holding a joint meeting with executives in the company's accounting department, and external auditor to consider the observation from the review and the audit, or financial statement without the presence of executives in charge.
2. Meeting together with internal auditors and external auditors to assess effectiveness and sufficiency of internal control system and efficiency of internal audit, and focus on independence of internal auditors and external auditors.
3. The Audit Committee approved the internal audit plan for 2011 which focuses on the matter that would have the risk of having a great impact on the business by monitoring the adjustment according to the recommendation of the internal auditors to ensure proper and continuous operation for efficient business operation of the company and optimal effectiveness.
4. Reviewing regulating system for compliance with legal requirement regarding the company's business operation, including compliance with the Stock Exchange of Thailand's requirement, and other relevant laws which the meeting was held together with executives from accounting department and internal auditors.
5. Reviewing and giving recommendation in the case of related report preparation based on transparency and sufficient information disclosure as the principle of practice, and consistency with policy on prevention of conflicting interest.

Operation according to the role and responsibility in 2011, the Audit Committee had reviews and had considered the company's operation by considering together with executives in charge, internal auditors, and external auditors. Overall, the Audit Committee deems that the company has suitable and sufficient internal control system, and had operation that was consistent with requirements relating to business operation, including the company's financial statement was prepared according to generally accepted and reliable accounting principle, which risk management and audit procedure have already been considered as well.

The Audit Committee had considered performance and independence of external auditors, and had approved the nomination of the company's auditors for 2012 to the company's Board of Directors to be proposed at the Annual General Shareholders' Meeting to appoint and to approve the auditing fee further.



(Mr.Chadej Insawang)

CHAIRMAN OF THE AUDIT COMMITTEE

March 15, 2012

The report of Board of Directors' responsibility for 2011 financial report



Thai Sugar Terminal Public Company Limited's Board of Directors focuses on duty and responsibility of business regulation in accordance with good business regulation which is responsible for consolidated financial statement, and separate financial statement, as well as financial information appears in the annual report. Financial statement for year ending on December 31, 2011 was prepared according to accounting standard, and financial report standard. In 2011, the company and subsidiary used many financial report standards issued and amended which were issued by Federation of Accounting Professions which determines that it must be applied to financial statement for accounting period beginning on or after January 1, 2011 onwards. The company and subsidiary changed accounting policy relating to accounting record by retrospectively adjusting consolidated and separate financial statements as of December 31, 2010 to reflect the changes due to the application of newly issued and amended report standard, and accounting policy change with careful discretion, as well as disclosing important information sufficiently in the note to the financial statement, and had passed the review and provided comment unconditionally from an independent certified public accountant. Therefore, the financial statement reflects the actual and transparent financial status, performance, and cash flow in the previous year that is useful for shareholders and general investors.

The company's Board of Directors has maintained appropriate and efficient risk management, internal control, internal audit, and regulation to ensure confidence rationally that financial information is accurate, complete, and sufficient for maintaining the company's asset and preventing risk from the operation. The Board of Directors deems that the company's overall internal control is sufficient and suitable, as well as being able to build confidence and reliability of consolidated and separate financial statements for the accounting period ending on December 31, 2011.



(Mr.Prapas Chutimavoraphand)

CHIEF EXECUTIVE OFFICER

March 15, 2012

Part 2

Thai Sugar Terminal Public Company Limited

The consolidated and separate financial statements

For the year ended December 31, 2011



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SAM NAK-NGAN A.M.C. Co., Ltd.

AUDITOR'S REPORT

To the Shareholders of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED

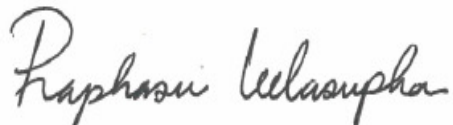
I have audited the accompanying consolidated and the separate statements of financial positions as at December 31, 2011 and 2010 and the related consolidated and the separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended of THAI SUGAR 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.

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 the separate financial statements referred to above present fairly, in all material respects, the consolidated and the separate financial positions as at December 31, 2011 and 2010, the consolidated and the separate operating results and cash flows for the years then ended of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED only in accordance with generally accepted accounting principles.

Without expressing a qualified opinion on the above financial statements, I would like to draw your attention to the matter as discussed in the notes to financial statements Nos. 2.3 and 2.4, noting that during the year 2011, for the preparation and presentation of these financial statements, the Company and its subsidiary companies have adopted several newly issued and revised financial reporting standards pronounced by the Federation of Accounting Professions which have become effective for financial statements of the accounting period begins on or after January 1, 2011. In addition, the Company and its subsidiary companies have changed their accounting policy from recording property, plant and equipment at appraised value to cost value. The Company and its subsidiary companies have retrospectively adjusted the consolidated and the separate financial statements as at December 31, 2010 and for the year ended on the same date in order to reflect the changes due to the adoption of newly issued and revised financial reporting standards and the accounting policy change. I have already examined the adjusting items to the said financial statements and have the opinion that the adjusting items are appropriate and fairly applied.

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



(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand) Registration No. 4664

Bangkok,

February 23, 2012

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2011 and 2010

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
<u>Assets</u>					
Current assets					
Cash and cash equivalent items		102,103,975	56,993,634	11,549,945	4,411,863
Trade and other accounts receivable-net	7	300,524,292	237,753,759	17,024,802	16,623,875
Current portion of long-term investment	10	-	749,978	-	-
Short-term loans to related parties	5.1	-	-	19,000,000	19,000,000
Inventories-net	8	691,060,913	269,818,766	-	-
Real estate development cost	9	39,252,149	40,272,226	37,223,433	34,186,080
Other current assets		7,360,024	12,004,543	767,703	688,911
Total current assets		1,140,301,353	617,592,906	85,565,883	74,910,729
Non-current assets					
Other long-term investments-net	10	3,161,029	2,965,560	2,724,269	2,523,126
Investments in subsidiary companies	11	-	-	508,542,734	508,542,734
Long-term loan to related parties	5.1	-	-	51,000,000	73,000,000
Investment properties-net	12	132,696,222	135,908,988	74,291,021	76,229,987
Property, plant and equipment-net	13	989,380,381	971,313,577	60,343,764	59,302,001
Other non-current assets		4,580,067	759,006	1,181,486	21,650
Total non-current assets		1,129,817,699	1,110,947,131	698,083,274	719,619,498
Total assets		2,270,119,052	1,728,540,037	783,649,157	794,530,227

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2011 and 2010

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	15	942,493,178	457,280,465	-	34,000,000
Trade and other accounts payable	16	104,388,340	89,932,368	10,133,691	4,983,641
Accrued discounts payable		19,515,094	21,559,880	19,515,094	21,559,880
Short-term loans from related parties	5.1	-	-	25,000,000	-
Current portion of long-term loans	17	80,000,000	60,000,000	-	20,000,000
Accrued income tax payable		26,326,983	22,648,116	9,184,085	1,845,720
Other current liabilities		14,961,726	14,649,217	3,226,066	1,501,823
Total current liabilities		1,187,685,321	666,070,046	67,058,936	83,891,064
Non-current liabilities					
Long-term loans from related parties	5.1	-	-	-	35,000,000
Long-term loans from financial institutions	17	116,000,000	206,000,000	-	-
Deposit received from warehouse and land rental		2,263,195	2,522,944	10,262,845	8,257,834
Employee benefit obligations	18	26,392,279	-	15,010,160	-
Other non-current liabilities		797,143	760,534	-	-
Total non-current liabilities		145,452,617	209,283,478	25,273,005	43,257,834
Total liabilities		1,333,137,938	875,353,524	92,331,941	127,148,898

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2011 and 2010

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Shareholders' equity				
Share capital				
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
Retained earnings				
Appropriated				
Legal reserve	13,200,000	13,200,000	13,200,000	13,200,000
Unappropriated	702,617,872	627,625,868	548,028,087	524,293,200
Other components of shareholders' equity	11,046,641	10,845,641	(1,910,841)	(2,111,841)
Total shareholders' equity of the Company	858,864,483	783,671,479	691,317,216	667,381,329
Non-controlling interests of subsidiaries	78,116,631	69,515,034	-	-
Total shareholders' equity	936,981,114	853,186,513	691,317,216	667,381,329
Total liabilities and shareholders' equity	2,270,119,052	1,728,540,037	783,649,157	794,530,227

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, 2011 and 2010

(Unit : Baht)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2011	2010	2011	2010
Revenues from operation					
Revenue from services		266,687,138	112,992,252	200,624,715	116,992,975
Revenue from real estate activities		23,000,000	2,265,000	18,450,000	820,000
Revenue from sales		2,052,850,129	1,700,485,905	-	-
Total revenues from operation		2,342,537,267	1,815,743,157	219,074,715	117,812,975
Cost from operation					
Cost of services		(109,788,795)	(60,634,148)	(80,162,617)	(40,955,028)
Cost of real estate activities		(14,320,763)	(1,604,790)	(10,225,332)	(529,760)
Cost of sales		(1,818,976,630)	(1,517,703,871)	-	-
Total cost from operation		(1,943,086,188)	(1,579,942,809)	(90,387,949)	(41,484,788)
Gross profit		399,451,079	235,800,348	128,686,766	76,328,187
Dividend income		73,000	53,200	73,000	93,889,396
Other income		19,890,642	17,247,378	7,797,756	10,737,732
Selling expenses		(27,817,849)	(23,853,052)	(1,474,802)	(324,736)
Administrative expenses		(104,882,383)	(94,101,198)	(33,938,740)	(28,103,551)
Loss from raw-material damaged by fire	8	(33,586,317)	-	-	-
Financial cost		(45,694,079)	(27,330,383)	(1,966,995)	(5,594,019)
Profit before income tax		207,434,093	107,816,293	99,176,985	146,933,009
Income tax expenses	23	(68,636,364)	(45,301,705)	(30,434,748)	(14,812,292)
Profit for the year		138,797,729	62,514,588	68,742,237	132,120,717
Profit (Loss) attributable to :					
Shareholders of the Company		127,955,527	66,119,508	68,742,237	132,120,717
Non-controlling interests of the subsidiaries		10,842,202	(3,604,920)	-	-
		138,797,729	62,514,588	68,742,237	132,120,717
Earnings per share	24				
Basic earnings per share		0.97	0.50	0.52	1.00

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2011 and 2010

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Profit for the year	138,797,729	62,514,588	68,742,237	132,120,717
Other comprehensive income for the year				
Profits from valuation of investment available for sale	201,000	280,873	201,000	280,873
Other comprehensive income for the year	201,000	280,873	201,000	280,873
Total comprehensive income for the year	138,998,729	62,795,461	68,943,237	132,401,590
Total comprehensive income (loss) attributable to :				
Shareholders of the Company	128,156,527	66,400,381	68,943,237	132,401,590
Non-controlling interests of the subsidiaries	10,842,202	(3,604,920)	-	-
Total comprehensive income for the year	138,998,729	62,795,461	68,943,237	132,401,590

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, 2011 and 2010

Consolidated Financial Statements

(Unit : Baht)

					Other components of shareholder's equity							Non-controlling interests of subsidiaries	Total Shareholders' Equity
					Other comprehensive income				Other items from Changes from shareholders				
					Change in fair value of investment available for sale	Capital surplus from revaluation of assets - the Company	Capital surplus revaluation of assets - subsidiary companies	Change in shareholding ratio in subsidiary companies under common control	Total other components of shareholders' equity	Total shareholders' equity - the Company			
Notes	Issued and paid-up share capital	Retained earnings											
		Appropriated legal reserve	Unappropriated										
Beginning balance as at January 1, 2010 (Previously reported)	131,999,970	13,200,000	561,506,360	(2,392,714)	664,634,060	32,803,812	21,965,798	717,010,956	1,423,717,286	87,734,019	1,511,451,305		
Impact of changes in accounting policies	2.4.1	-	-	-	-	(664,634,060)	(32,803,812)	(9,008,316)	(706,446,188)	(706,446,188)	(11,126,523)	(717,572,711)	
Balance after adjustment	131,999,970	13,200,000	561,506,360	(2,392,714)	-	-	12,957,482	10,564,768	717,271,098	76,607,496	793,878,594		
Changes in non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	(3,487,542)	(3,487,542)		
Comprehensive income (loss) for the year	-	-	66,119,508	280,873	-	-	-	280,873	66,400,381	(3,604,920)	62,795,461		
Beginning balance as at January 1, 2011 before employee benefits adjustment	131,999,970	13,200,000	627,625,868	(2,111,841)	-	-	12,957,482	10,845,641	783,671,479	69,515,034	853,186,513		
Impact of accounting standard on employee benefits	2.4.3	-	-	(21,283,530)	-	-	-	-	(21,283,530)	(2,240,605)	(23,524,135)		
Beginning balance as at January 1, 2011 (restated)	131,999,970	13,200,000	606,342,338	(2,111,841)	-	-	12,957,482	10,845,641	762,387,949	67,274,429	829,662,378		
Dividend paid	20	-	-	(31,679,993)	-	-	-	-	(31,679,993)	-	(31,679,993)		
Comprehensive income for the year	-	-	127,955,527	201,000.00	-	-	-	201,000	128,156,527	10,842,202	138,998,729		
Ending balance as at December 31, 2011	131,999,970	13,200,000	702,617,872	(1,910,841)	-	-	12,957,482	11,046,641	858,864,483	78,116,631	936,981,114		

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2011 and 2010

Separate Financial Statements

(Unit : Baht)

	Notes	Other components of shareholder's equity					
		Other comprehensive income					
		Issued and paid-up share capital	Retained earnings Appropriated legal reserve	Unappropriated	Change in fair value of investment available for sale	Capital surplus from revaluation of assets - the Company	Total other components of shareholders' equity
							Total shareholders' equity
Beginning balance as at January 1, 2010 (Previously reported)		131,999,970	13,200,000	392,172,483	(2,392,714)	664,634,060	1,199,613,799
Impact of changes in accounting policies	2.4.1	-	-	-	-	(664,634,060)	(664,634,060)
Balance after adjustment		131,999,970	13,200,000	392,172,483	(2,392,714)	-	534,979,739
Comprehensive income for the year		-	-	132,120,717	280,873	-	132,401,590
Beginning balance as at January 1, 2011 before employee benefits adjustment		131,999,970	13,200,000	524,293,200	(2,111,841)	-	667,381,329
Impact of accounting standard on employee benefits	2.4.3	-	-	(13,327,357)	-	-	(13,327,357)
Beginning balance as at January 1, 2011 (restated)		131,999,970	13,200,000	510,965,843	(2,111,841)	-	654,053,972
Dividend paid	20	-	-	(31,679,993)	-	-	(31,679,993)
Comprehensive income for the year		-	-	68,742,237	201,000	-	68,943,237
Ending balance as at December 31, 2011		131,999,970	13,200,000	548,028,087	(1,910,841)	-	691,317,216

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, 2011 and 2010

(Unit : Baht)

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax	207,434,093	107,816,293	99,176,985	146,933,009
Adjustments for				
Dividend income	(73,000)	(53,200)	(73,000)	(93,889,396)
Amortization of premium (discount) on bonds	5,509	3,258	(143)	2,562
Loss from the cost of goods exceeding net realizable value (reversal)	(2,555,968)	2,555,968	-	-
Loss from raw-material damaged by fire	33,586,317	-	-	-
Doubtful debt (reversal)	(2,993,444)	(1,240,208)	-	-
Depreciation	58,299,210	63,245,912	7,234,308	6,217,643
(Gain) Loss from disposed and demolished assets	(653,242)	317,598	(674,299)	(742,989)
Unrealized loss on exchange rate	249,323	1,256	-	-
Employee benefits obligations	2,868,144	-	1,682,803	-
Interest expenses	44,784,378	26,303,338	1,966,995	5,594,019
Profit from operation before changes in operating assets and liabilities	340,951,320	198,950,215	109,313,649	64,114,848
Operating assets (increase) decrease				
Trade and other accounts receivable	(59,777,089)	(107,354,083)	(400,927)	(8,727,806)
Inventories	(452,272,496)	55,906,044	-	-
Real estate development cost	1,020,077	1,065,515	(3,037,353)	(9,515)
Other current assets	3,726,457	(787,857)	(78,792)	(134,793)
Other non-current assets	(2,972,492)	(507,384)	-	(1,000)
Operating liabilities increase (decrease)				
Trade and other accounts payable	10,636,568	64,526,951	5,158,184	(653,024)
Accrued discounts payable	(2,044,786)	4,352,863	(2,044,786)	4,352,863
Other current liabilities	312,509	5,569,704	1,724,243	42,402
Deposit received from warehouse and land rental	(259,749)	(4,345,131)	2,005,011	(3,665,439)
Other non-current liabilities	36,609	702,984	-	-
Cash received (paid) from operating activities	(160,643,072)	218,079,821	112,639,229	55,318,536
Interest paid	(44,675,191)	(29,183,957)	(1,975,129)	(5,699,608)
Income tax paid	(64,957,497)	(36,572,159)	(23,096,383)	(16,554,354)
Net cash received from (used in) operating activities	(270,275,760)	152,323,705	87,567,717	33,064,574

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, 2011 and 2010

(Unit : Baht)

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in short-term loan to related parties	-	-	-	(19,000,000)
Cash received from captial reduction in subsidiary company	-	-	-	197,633,100
Cash receives from dividend	73,000	53,200	73,000	93,889,396
Cash paid for additional investment in long-term investments	-	(263,256)	-	-
Cash received from redemption of long-term investments	750,000	4,500,000	-	4,500,000
Cash paid from long-term loan to related parties	-	-	-	(73,000,000)
Cash received from long-term loan	-	-	22,000,000	-
Purchased investment properties	(3,376,428)	(272,546)	(2,340,817)	(8,207,411)
Purchased property, plant and equipment	(62,691,353)	(179,990,518)	(4,508,905)	(2,998,024)
Cash received from sale of asset	1,193,046	1,362,191	1,186,916	742,991
Cash paid for purchase of intangible assets	(2,327,531)	-	(1,159,836)	-
Net cash received from (used in) from investing activities	(66,379,266)	(174,610,929)	15,250,358	193,560,052
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in short-term loan from financial institutions	485,212,713	128,981,883	(34,000,000)	(25,000,000)
Decrease in short-term loan from related parties	-	-	(10,000,000)	(10,000,000)
Decrease in short-term loan from other parties	-	(58,000,000)	-	-
Cash paid for payable for asset purchased	(1,767,353)	(3,033,182)	-	-
Cash paid for long-term loan from related parties	-	-	-	(30,000,000)
Cash received from long-term loan from financial institutions	-	177,096,202	-	-
Cash paid for long-term loan from financial institutions	(70,000,000)	(200,000,000)	(20,000,000)	(160,000,000)
Dividend paid	(31,679,993)	-	(31,679,993)	-
Payment to the non-controlling interest of the subsidiaries from dividends	-	(1,120,528)	-	-
Payment to the non-controlling interest of the subsidiaries from capital reduction	-	(2,367,014)	-	-
Net cash received from (use in) from financing activities	381,765,367	41,557,361	(95,679,993)	(225,000,000)
Cash and cash equivalent items increase-net	45,110,341	19,270,137	7,138,082	1,624,626
Cash and cash equivalent items at the beginning of the year	56,993,634	37,723,497	4,411,863	2,787,237
Cash and cash equivalent items at the end of the year	102,103,975	56,993,634	11,549,945	4,411,863
	0	0	0	0

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, 2011 and 2010

(Unit : Baht)

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2011	2010	2011	2010
Additional disclosure :				
1. Significant non-cash items in the consolidated and the separate financial statements are as follows :-				
- Profits from valuation investment available for sale	201,000	280,873	201,000	280,873
- Purchases of property, plant and equipment which had not yet been paid	5,096,864	1,767,353	-	-
- Interest expenses which included in the cost of property, plant and equipment	131,383	2,909,764	-	-
- Transfer of other non-current assets to property, plant and equipment	1,478,962	-	-	-
- Transfer of other current asset to property, plant and equipment	918,062	-	-	-
- Adjusted the beginning balance of retained earnings with employee benefit obligations	21,283,530	-	13,327,357	-
- Adjusted the non-controlling interests of the subsidiaries with employee benefit obligations	2,240,605	-	-	-
2. Cash and cash equivalent items consisted of :				
- Cash	151,778	108,237	53,214	53,608
- Deposits at banks	101,952,197	56,885,397	11,496,731	4,358,255
Total	102,103,975	56,993,634	11,549,945	4,411,863

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
DECEMBER 31, 2011 AND 2010

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, Ampher 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 disclosed 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, Ampher Namphong, Khonkaen Province. Khon Kaen's main business is to manufacture and distribute sugar and molasses.

2. Basis of financial statement preparation

2.1 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.

2.2 The consolidated and the 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 interpretation including accounting guidance issued by the Federation of Accounting Professionals ("FAP") 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.

The presentation in the financial statements are presented in accordance with the determination stated in the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act, B.E. 2543.

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

- 2.3 During the year 2011, the Group Companies adopted a number of new and revised Thai financial reports standards (TFRS), issued by the FAP, as listed below.

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

<u>Reference Standard No.</u>	<u>Name</u>
TIC No. 31	Revenue-Barter Transactions Involving Advertising Services

The adoption of these new and revised TFRS has resulted in changes in the Group Companies accounting policies. The effects of these changes are disclosed in the notes to financial statements No. 2.4

In addition to the above new and revised TFRS, the FAP has issued a number of other TFRS during 2010 and 2011, which are expected to be effective for financial statements beginning on or after January 1, 2013 and have not been adopted in the preparation of these financial statements, as listed below:

<u>Reference Standard No.</u>	<u>Name</u>
TAS No. 12	Income Taxes
TAS No. 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS No. 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate
TIC No.10	Government Assistance - No Specific Relation to Operating Activities
TIC No. 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TIC No. 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Currently, the management is considering the effects which may incur to the consolidated or the separate financial statements from the application of the said newly issued and revised TAS and TFRS for the year the said standards become effective.

2.4 Significant changes in accounting policies

2.4.1 During 2011, the Group Companies had changed the accounting policy for property, plant and equipment. Previously, the Group Companies applied the abated accounting treatment for the revaluation of assets which has been announced by the Federation of Accounting Professions' announcement No. 25/2549 on "the accounting for revaluation of assets". Subsequently, the Group Companies has the intention to change its accounting policy to use the cost method, base on the FAP's announcement No. 18/2554 on "the accounting record for revaluation of assets". The Group Companies has chosen the retrospectively apply method as stipulated in the Accounting Standard No. 8 (Revised 2009) on "accounting policies, changes in accounting estimates and errors", which has had the effect that the total assets as at December 31, 2010 decreased in the consolidated financial statements by Baht 676.29 million and in the separate financial statements decreased by Baht 633.57 million and the equity in the consolidated and the separate financial statements also decreased by the same amount. The effect can be shown as follows :-

(Unit : Thousand Baht)						
	Consolidated Financial Statements			Separate Financial Statements		
	Before	Adjustment	After	Before	Adjustment	After
	Adjustment	Increase (Decrease)	Adjustment	Adjustment	Increase (Decrease)	Adjustment
Statements of financial position as at December 31, 2010						
Real estate development cost	40,759	(487)	40,272	34,673	(487)	34,186
Property, plant and equipment-net	1,783,026	(675,804)	1,107,222	768,615	(633,083)	135,532
Capital surplus revaluation of assets of the Company	633,570	(633,570)	-	633,570	(633,570)	-
Capital surplus revaluation of assets of subsidiary companies	26,488	(26,488)	-	-	-	-
Change in shareholding ratio in subsidiary companies under common control	19,999	(7,042)	12,957	-	-	-
Non-controlling interest of the subsidiaries	78,706	(9,191)	69,515	-	-	-
Statements of changes in Shareholders' Equity for the year ended December 31, 2010						
Capital surplus form revaluation of assets of the Company	664,634	(664,634)	-	664,634	(664,634)	-
Capital surplus from revaluation of assets of subsidiary companies	32,804	(32,804)	-	-	-	-
Change in shareholding ratio in subsidiary companies under common control	21,966	(9,009)	12,957	-	-	-
Non-controlling interest of the subsidiaries	87,734	(11,127)	76,607	-	-	-

The said changes have no impact on the profit and earnings per share for the year ended December 31, 2011 and 2010.

2.4.2 Accounting for investment properties

Previously, investment properties were included in property, plant and equipment and measured using the appraised value, where the revaluation changes were recognised under the shareholders' equity. The Group Companies has then changed the revaluation method to the cost method, as described in the notes to financial statements No. 2.4.1 and the Group Companies has selected to adopt the cost model for accounting for its investment properties under the revised standard. The change in accounting policy has been applied retrospectively and the financial statements for the year ended December 31, 2010, which included in the Group Companies' financial statements, have been adjusted by reclassify the investment properties to a separate account under the caption "investment property-net" from "property, plant and equipment-net" as at January 1, 2010, and December 31, 2010. The effect can be shown as follows: -

(Unit : Thousand Baht)						
	Consolidated Financial Statements			Separate Financial Statements		
	Before	Reclassify	After	Before	Reclassify	After
	Reclassify	Increase (Decrease)	Reclassify	Reclassify	Increase (Decrease)	Reclassify
Statements of financial position as at December 31, 2010						
Investment properties-net	-	135,909	135,909	-	76,230	76,230

(Unit : Thousand Baht)

	Consolidated Financial Statements			Separate Financial Statements		
	Before	Reclassify	After	Before	Reclassify	After
	Reclassify	Increase (Decrease)	Reclassify	Reclassify	Increase (Decrease)	Reclassify
Property, plant and equipment-net						
)After adjustment as mentioned in the						
notes to financial statements No. 2.4.1)	1,107,222	(135,909)	971,313	135,532	(76,230)	59,302

Except the said reclassification, the change in accounting policy has no effect to the profit and earnings per share for the year ended December 31, 2011 and 2010.

2.4.3 Employee benefits.

Since January 1, 2011, the Company commenced to adopt TAS No. 19 on Employee Benefits for the first time. The Company selected to recognize the provision in long-term employee benefit obligations by written down the retained earnings as at January 1, 2011 in the consolidated financial statements at Baht 21.28 million and in the separate financial statements at Baht 13.33 million in accordance with the transitional provisions practice. The first time adoption of the said standards has effect in the decrease of the profit for the year 2011 in the consolidated and the separate financial statements at Baht 2.87 million and Baht 1.68 million respectively and the earnings per share decreased by Baht 0.033 per share and Baht 0.013 per share respectively.

- 2.5 Certain transactions in financial statements for the year ended December 31, 2010 have been reclassified to correspond with the presentation of the financial statements for the current period. These reclassifications are results of the adoption of the new and revised TFRS and in compliance with Notification of the Department of Business Development on Specification of Condensed Items to be shown on Financial Statements (B.E. 2554), with no effect to the reported total comprehensive income for the year or shareholders' equity. The reclassifications comprised of the following: -

(Unit : Baht)

	Consolidated Financial Statements			Separate Financial Statements		
	Before	Reclassify	After	Before	Reclassify	After
	Reclassify	Increase (Decrease)	Reclassify	Reclassify	Increase (Decrease)	Reclassify
Statements of financial position						
Trade accounts receivable	235,695,421	(235,695,421)	-	15,877,415	(15,877,415)	-
Trade and other accounts receivable-net	-	237,753,759	237,753,759	-	16,623,875	16,623,875
Other current assets	14,062,881	(2,058,338)	12,004,543	1,435,371	(746,460)	688,911
Trade accounts payable	65,340,145	(65,340,145)	-	241,235	(241,235)	-
Trade and other accounts payable	-	89,932,368	89,932,368	-	4,983,641	4,983,641
Payable for asset purchased	1,767,353	(1,767,353)	-	-	-	-
Other current liabilities	37,474,087	(22,824,870)	14,649,217	6,244,229	(4,742,406)	1,501,823
Statements of income						
Administrative expenses	61,300,684	32,800,514	94,101,198	14,277,607	13,825,944	28,103,551
Executives' remuneration	32,800,514	(32,800,514)	-	13,825,944	(13,825,944)	-

2.6 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. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

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. The significant estimate and assumption are as follows: -

Lease agreement

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

Allowance for doubtful debt

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

Allowance for the cost of goods exceeding net realisable value/Allowance for loss from dilapidated raw material

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.

Investment properties, property, plant and equipment and depreciation

In determining depreciation of investment properties, property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties, property, plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Estimate on employee benefit obligations

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

Other estimates are disclosed under related caption in these notes to financial statements.

3. Basis of the consolidated financial statements preparation

- 3.1 The consolidated financial statements have been prepared by consolidating the financial statements of the Company and of five subsidiary companies (collectively called the “Group Companies”) The detail of structure and shareholding ratio of the Group Companies is as follows :-

	<u>Percentage of Shareholding</u>		<u>Incorporated in</u>	<u>Type of Business</u>
	<u>2011</u>	<u>2010</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.	98.82	98.82	Thailand	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 purchase and distribution 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 combine 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 equivalent items 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 accounts receivable and other accounts receivable are shown at net realizable value. The allowance for doubtful accounts 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 dilapidated (if any). The following calculation for cost 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 consists 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 comprehensive 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 of non-current assets except the management has intention to hold them for less than 12 months from the statement of financial position date or the management want 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 comprehensive income. The cost of the disposed investment is calculated by the weighted average method.
- 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 using the straight-line method and the amount written off/ amortized will be combine/shown as adjustment to the interest receivable in the statements of comprehensive income.
- 4.5.4 General investments is 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 comprehensive income when they are sold or impaired.

- 4.6 Investment Properties: The Group Companies recorded the initial value of the investment properties at cost. Afterward, the Group Companies would record the investment properties at cost less accumulated depreciation and allowance for impairment (if any).

The depreciation of the investment properties is calculated from cost on the straight-line basis over the estimated useful life of 5-47 years. The depreciation of the investment properties is included in the calculation for the operating result.

No depreciation is calculated for the land in investment properties.

The Group Companies recognizes the difference between the assets' net realizable value and book

value in the profit or loss for the period the investment properties are derecognized from the account.

- 4.7 Property are stated at cost, plant and equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).

The depreciation of the plant and equipment calculates from the cost of assets using the straight-line basis over their estimated useful life (except the machineries of the subsidiary companies in the producer and distributor of polypropylene bag sector) the as follows :-

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

The calculation for the depreciation of the machineries of the subsidiary companies in the producer and distributor of polypropylene bag sector is based on the number of production hours by measuring from the estimate useful live of 20 years basing on the production capacity of the machinery estimated by the engineers of the subsidiary companies.

The depreciation is included in the calculation for the operating result. No depreciation is calculated for the land, assets in construction and machine during installation.

Interest expenses incurred from the loan obtained specifically 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.

The Group Companies derecognize property, plant and equipment from the account on disposal or no future economic benefits are expected from its usage or disposal. Any gain or loss arising on disposal is recognised when the said asset is derecognized from the account.

- 4.8 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 Companies 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).

- 4.9 Trade and other accounts payable are shown at cost.

4.10 Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as the expense for the year.

4.11 Employee benefits

Short-term employee benefits

The Group Companies recognise salaries, wages, bonuses and contributions to Social Security Fund as expense when incurred.

Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Group Companies have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group Companies treat these severance payment obligations as a defined benefit plan.

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

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

For the first-time adoption of TAS No. 19 on Employee Benefits, the Group Companies selected to recognise all of the employee benefit obligations by adjustment to decrease the retained earnings as at January 1, 2011.

4.12 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.

- 4.13 Change in shareholding ratio in subsidiary companies under common control is the difference between the investment for the changed in proportion in subsidiary companies and book value of the subsidiary companies resulted from the change in proportion of investment in that subsidiary companies. The difference is shown as a separate item in the statements of financial position under the shareholders' equity and will be written off when the investment is disposed.
- 4.14 Non-controlling interests of subsidiary companies represent the portion of book value of the net assets of the subsidiary companies under the shareholding ration that are not held by the Company and are presented separately in the consolidated statements of financial position and net profit (loss) of the non-controlling interest are presented separately in the consolidated statements of income the consolidated statement of comprehensive income.
- 4.15 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: -
- 4.15.1 Sale of goods: revenue is recognised in the statements of comprehensive 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.
- 4.15.2 Revenue from transferring of goods, revenue from warehousing and other services are recognised when those services are already rendered.
- 4.15.3 Revenue from rent and service fee are recognized under the accrual basis according to the rates stipulated in each service agreement.
- 4.15.4 Revenue from sale of houses together with land is recognised when the construction is completed pursuant to the agreement, full payment made under sale and purchase agreement and the ownership already transferred to the purchaser.
- 4.15.5 Dividend income is recognized on the date that has right to receive payments is established.
- 4.15.6 Revenues from interest received and discount received from purchase of discounted notes receivable are recognized according to the related period.
- 4.15.7 Other revenues are recognized by accrual basis.

4.16 Expenses recognition are as follows :-

- 4.16.1 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.
- 4.16.2 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 lease period.
- 4.16.3 Financial 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.
- 4.16.4 Other expenses are recognised by accrual basis.
- 4.17 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.
- 4.18 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.
- 4.19 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.
- 4.20 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.

4.21 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.

4.22 Financial assets and liabilities carried on the financial statement 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 comprehensive 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 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

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Trade accounts receivable				
T S Oil Industry Co., Ltd.	-	-	37,557	20,972
T S Flour Mill Public Co., Ltd.	-	-	-	701,300
T S Warehouse Co., Ltd.	-	-	897,669	1,472,965
T S Transport and Logistics Co., Ltd.	-	-	2,033	803
Khon Kaen Sugar Industry Public Co., Ltd.	3,103,213	52,052	274,188	-
Rajburi Sugar Co., Ltd.	1,222,237	218,264	707,800	109,361
Mitr Kaset Sugar Industry Co., Ltd.	99,649	-	-	-
Prachaup Industry Co., Ltd.	934,117	1,850	3,750	1,819
New Krung Thai Sugar Industry Co., Ltd.	3,202,862	-	1,600,988	-
Tamaka Sugar Industry Co., Ltd.	2,277,931	-	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	787,173	-	355,775	-
Eastern Sugar And Sugar Cane Co., Ltd.	17,021	3	10,166	-

(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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Total	11,644,203	272,169	3,889,926	2,307,220
- Other accounts receivable				
T S G Asset Co., Ltd.	-	-	20,223	14,980
T S Flour Mill Public Co., Ltd.	-	-	367	-
T S Warehouse Co., Ltd.	-	-	1,901,620	-
T S Transport and Logistics Co., Ltd.	-	-	1,733	2,226
Khon Kaen Sugar Industry Public Co., Ltd.	722	500	722	500
Rajburi Sugar Co., Ltd.	10,352	642	10,352	642
Total	11,074	1,142	1,935,017	18,348
- Accrued interest				
T S Oil Industry Co., Ltd.	-	-	596,630	303,075
- Short-term loans to				
T S Oil Industry Co., Ltd.				
Beginning balance	-	-	19,000,000	-
Increase in the year	-	-	-	34,000,000
Received in the year	-	-	-	(15,000,000)
Ending balance	-	-	19,000,000	19,000,000
- Long-term loans to				
T S Oil Industry Co., Ltd.				
Beginning balance	-	-	73,000,000	-
Increase in the year	-	-	-	73,000,000
Received in the year	-	-	(22,000,000)	-
Ending balance	-	-	51,000,000	73,000,000

As at December 31, 2011 and 2010, short-term loan to subsidiary company is borrowing under loan agreement. The principal shall be repaid within 1 year. When the agreement expired on June 17, 2011, the repayment term for the principal has been changed to repayment when the loan is no longer necessary and the interest shall be paid monthly at the interest rate of MLR-2.00% per annum for both periods.

As at December 31, 2011 and 2010, the long-term loan to subsidiary company is borrowing under loan agreements with the repayment of the principals scheduled within 2-3 years bearing the interest rate at MLR-2.00% per annum and the interest must be paid monthly for both years.

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Trade accounts payable				
T S Warehouse Co., Ltd.	-	-	1,446,105	-
- Accrued discounts payable				
Khon Kaen Sugar Industry Public Co., Ltd.	177,449	-	177,449	-
Rajburi Sugar Co., Ltd.	1,561,899	287,775	1,561,899	287,775
Mitr Kaset Sugar Industry Co., Ltd.	359,784	477,850	359,784	477,850
New Krung Thai Sugar Industry Co., Ltd.	342,000	-	342,000	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	105,450	-	105,450	-
Total	<u>2,546,582</u>	<u>765,625</u>	<u>2,546,582</u>	<u>765,625</u>
- Accrued interest expenses				
T S Warehouse Co., Ltd.	-	-	88,099	88,151
- Deposit received from warehouse, land rental and tank rental				
T S Oil Industry Co., Ltd.	-	-	1,392,390	1,292,390
T S Flour Mill Public Co., Ltd.	-	-	1,031,300	1,031,300
T S Warehouse Co., Ltd.	-	-	4,945,960	2,781,200
T S Transport and Logistics Co., Ltd.	-	-	630,000	630,000
Total	<u>-</u>	<u>-</u>	<u>7,999,650</u>	<u>5,734,890</u>

(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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Short-term loans from				
T S Flour Mill Public Co., Ltd.				
Beginning balance	-	-	-	10,000,000
Increase in the year	-	-	-	-
Repaid in the year	-	-	-	(10,000,000)
Ending balance	-	-	-	-
T S Warehouse Co., Ltd.				
Beginning balance	-	-	-	-
Reclassification from long-term loan	-	-	35,000,000	-
Increase in the year	-	-	-	-
Repaid in the year	-	-	(10,000,000)	-
Ending balance	-	-	25,000,000	-
Total	-	-	25,000,000	-
- Long-term loans from				
T S G Asset Co., Ltd.				
Beginning balance	-	-	-	10,000,000
Increase in the year	-	-	-	-
Repaid in the year	-	-	-	(10,000,000)
Ending balance	-	-	-	-
T S Warehouse Co., Ltd.				
Beginning balance	-	-	35,000,000	55,000,000
Increase in the year	-	-	-	-
Repaid in the year	-	-	-	(20,000,000)
Reclassification to short-term loan	-	-	(35,000,000)	-
Ending balance	-	-	-	35,000,000
Total	-	-	-	35,000,000

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, 2011 and 2010, the long-term loan from subsidiary company is borrowing under loan agreements with the repayment of the principals scheduled within 3 years. The interest payment must be made every quarter at the interest rate of three-month fixed deposit interest of a commercial bank 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, 2011 and 2010

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Revenue from warehouse rental				
T S Oil Industry Co., Ltd.	-	-	3,213,840	2,142,560
T S Flour Mill Public Co., Ltd.	-	-	1,980,000	5,250,006
T S Warehouse Co., Ltd.	-	-	30,531,764	18,187,770
T S Transport and Logistics Co., Ltd.	-	-	1,890,000	1,890,000
Total	-	-	37,615,604	27,470,336
- Revenue from land rental and tank rental				
T S G Asset Co., Ltd.	-	-	1,218,600	1,218,600
T S Oil Industry Co., Ltd.	-	-	5,608,900	4,508,900
T S Flour Mill Public Co., Ltd.	-	-	4,207,800	4,550,050
T S Warehouse Co., Ltd.	-	-	2,304,000	2,304,000
T S Transport and Logistics Co., Ltd.	-	-	834,000	834,000
Total	-	-	14,173,300	13,415,550
- Revenue from service fee of loading and service				
Khon Kaen Sugar Industry Public Co., Ltd.	12,923,914	6,164,274	11,824,567	6,137,927
Rajburi Sugar Co., Ltd.	9,023,003	3,606,090	8,820,788	3,606,090
Mitr Kaset Sugar Industry Co., Ltd.	1,448,770	1,757,922	1,307,719	1,601,369
Prachaup Industry Co., Ltd.	5,570,719	5,007,329	5,423,087	4,932,073
New Krung Thai Sugar Industry Co., Ltd.	14,763,831	3,390,922	12,985,949	3,124,102
Tamaka Sugar Industry Co., Ltd.	6,377,242	4,391,908	5,870,457	4,272,799
New Kwang Soon Lee Sugar Industry Co., Ltd.	3,768,811	520,083	3,304,773	498,469
Eastern Sugar and Sugar Cane Co., Ltd.	918,042	3,282	918,042	3,282
Total	54,794,332	24,841,810	50,455,382	24,176,111
- Revenue from weigh station services				
T S Oil Industry Co., Ltd.	-	-	452,950	260,450
- Revenue from warehousing				
Khon Kaen Sugar Industry Public Co., Ltd.	4,474,155	1,186,899	-	-
Rajburi Sugar Co., Ltd.	2,765,627	1,219,970	67,557	-
Mitr Kaset Sugar Industry Co., Ltd.	896,706	253,371	-	-
Prachaup Industry Co., Ltd.	2,803,204	1,386,507	-	-
New Krung Thai Sugar Industry Co., Ltd.	3,889,931	3,266,912	-	-
Tamaka Sugar Industry Co., Ltd.	2,496,516	1,582,978	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	1,271,919	39,960	-	-
Eastern Sugar and Sugar Cane Co., Ltd.	89,731	32	-	-
Total	18,687,789	8,936,629	67,557	-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Revenue from selling and exchanging burlap sacks				
Khon Kaen Sugar Industry Public Co., Ltd.	2,595,000	3,666,000	-	-
Rajburi Sugar Co., Ltd.	15,000	-	-	-
Mitr Kaset Sugar Industry Co., Ltd.	516,568	1,253,600	-	-
Prachaup Industry Co., Ltd.	1,734,356	-	-	-
New Krung Thai Sugar Industry Co., Ltd.	2,745,865	755,000	-	-
Tamaka Sugar Industry Co., Ltd.	4,493,540	3,677,500	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	2,832,900	-	-	-
Total	14,933,229	9,532,100	-	-
- Dividend income				
T S Flour Mill Public Co., Ltd.	-	-	-	93,836,196
- Other incomes				
T S Flour Mill Public Co., Ltd.	-	-	13,062	325,554
T S Transport and Logistics Co., Ltd.	-	-	13,900	30,330
Khon Kaen Sugar Industry Public Co., Ltd.	33,000	23,600	-	500
Rajburi Sugar Co., Ltd.	208,872	29,907	-	29,907
Prachaup Industry Co., Ltd.	180,420	56,642	-	767
Tamaka Sugar Industry Co., Ltd.	-	6,370	-	-
Total	422,292	116,519	26,962	387,058
- Interest incomes				
T S Flour Mill Public Co., Ltd.	-	-	-	1,989,295
T S Oil Industry Co., Ltd.	-	-	3,643,750	-
Total	-	-	3,643,750	1,989,295

- The amounts of expenses for the year ended on December 31, 2011 and 2010

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Expenses of loading and service				
T S Warehouse Co., Ltd.	-	-	26,763,310	5,851,725
- Discount expenses				
Khon Kaen Sugar Industry Public Co., Ltd.	3,085,196	476,794	3,085,196	476,794
Rajburi Sugar Co., Ltd.	1,274,124	287,775	1,274,124	287,775
Mitr Kaset Sugar Industry Co., Ltd.	359,784	477,850	359,784	477,850
Prachaup Industry Co., Ltd.	659,300	481,905	659,300	481,905
New Krung Thai Sugar Industry Co., Ltd.	3,542,519	813,143	3,542,519	813,143
Tamaka Sugar Industry Co., Ltd.	940,772	613,691	940,772	613,691
New Kwang Soon Lee Sugar Industry Co., Ltd.	1,213,782	33,253	1,213,782	33,253
Total	11,075,477	3,184,411	11,075,477	3,184,411

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
- Rental cars				
Parahitac Co., Ltd.	360,000	240,000	360,000	90,000
- Other expenses				
T S Transport and Logistics Co., Ltd.	-	-	2,129,000	942,000
- Interest expenses				
T S G Asset Co., Ltd.	-	-	-	48,973
T S Flour Mill Public Co., Ltd.	-	-	-	41,918
T S Warehouse Co., Ltd.	-	-	767,431	545,308
Total	-	-	767,431	636,199
- Executives and Important Management's Remuneration				
Short-term employee benefits	44,637,075	30,646,036	14,932,020	13,759,960
Post-employment benefits	2,292,602	-	829,376	-
Total	46,929,677	30,646,036	15,761,396	13,759,960

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 :-
- Seven 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 0.63 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 prior to the lease tenor expiration and the lessor agreed to grant the priority of the leasehold right to the lessee 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 0.43 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 from investment promotion

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 and other 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade accounts receivable-related parties	11,644,203	272,169	3,889,926	2,307,220
Trade accounts receivable-other parties	288,640,556	244,099,191	9,501,324	13,570,195
Total trade accounts receivable	300,284,759	244,371,360	13,391,250	15,877,415
<u>Less</u> Allowance for doubtful debts	(5,682,495)	(8,675,939)	-	-
Trade accounts receivable-net	294,602,264	235,695,421	13,391,250	15,877,415
Other accounts receivable-related parties	11,074	1,142	1,935,017	18,348
Other accounts receivable-other parties	392,862	176,929	186,299	158,835
Prepaid expenses	2,402,946	1,184,917	835,948	173,537
Accrued income-related parties	-	-	596,630	303,075
Accrued income-other parties	2,836,652	18,766	2,665	2,665
Deposit paid	80,000	625,500	-	90,000
Advance payment	198,494	51,084	76,993	-
Total other accounts receivable	5,922,028	2,058,338	3,633,552	746,460
Total trade and other accounts receivable-net	300,524,292	237,753,759	17,024,802	16,623,875

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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Domestic trade accounts receivable				
Not yet due	11,105,185	180,688	3,647,081	2,282,605
Overdue not over 3 months	334,693	91,481	38,520	24,615
Overdue over 3 months but not over 6 months	204,325	-	204,325	-
Total	11,644,203	272,169	3,889,926	2,307,220

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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Domestic trade accounts receivable				
Not yet due	185,046,232	126,491,214	8,987,558	3,665,697
Overdue not over 3 months	96,531,599	94,389,506	333,638	1,106,597
Overdue over 3 months but not over 6 months	1,380,200	2,359,294	180,098	1,457,707
Overdue over 6 months but not over 9 months	-	7,341,843	-	5,304,302
Overdue over 9 months but not over 12 months	-	3,886,588	-	2,035,892
Overdue over 12 months	5,682,525	9,630,746	30	-
Total	288,640,556	244,099,191	9,501,324	13,570,195
Less Allowance for doubtful accounts	(5,682,495)	(8,675,939)	-	-
Net	282,958,061	235,423,252	9,501,324	13,570,195

The normal credit term granted by the Group Companies ranges from 5 days to 45 days. For the year ended December 31, 2011 and 2010, in the consolidated financial statements, a subsidiary company has the bad debt and allowance for doubtful debt (reversal) made at Baht (3.00) million and Baht (1.24) million respectively.

8. Inventories-net

(Unit : Baht)

	<u>Consolidated Financial Statements</u>	
	<u>As at December 31,</u>	
	<u>2011</u>	<u>2010</u>
Raw material	538,212,747	141,535,295
Work in process	63,981,506	43,614,234
Finished goods	42,636,458	24,176,074
Supplies	7,953,144	3,329,159
Goods in transit	71,863,375	59,719,972
Total	724,647,230	272,374,734
Less Allowance for the cost of goods exceeding net realizable value	-	(2,555,968)
Less Allowance for the loss from dilapidated raw material	(33,586,317)	-
Net	691,060,913	269,818,766

(Unit : Baht)

	<u>For the year ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Cost of inventory record as expense and include in the cost of goods sold		
- Cost of goods sold	1,821,532,598	1,515,147,903
- Write down to net realizable value (Reversal)	(2,555,968)	2,555,968
Net	<u>1,818,976,630</u>	<u>1,517,703,871</u>

As at December 31, 2011, in the consolidated financial statements, a subsidiary company have Baht 96.22 million of raw material which have been damaged by fire incident on the backhoe loader located in the warehouse of the subsidiary company. The subsidiary company recognised the loss from such damage at Baht 33.59 million by considering the realizable value from the sale of the raw material. However, the subsidiary company has the insurance policy covering the damage of the raw material in the warehouse but the insurance company is in the process of assessing the amount of the damage for the compensation payment; therefore, the subsidiary company could not measure the amount to recognize the said compensation.

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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Real estate during development				
Land	-	23,880,000	-	23,880,000
Other land related expenses	-	9,032,598	-	9,032,598
Public utility systems	-	1,122,448	-	1,122,448
Other project related expenses	-	151,034	-	151,034
Total	-	<u>34,186,080</u>	-	<u>34,186,080</u>
Real estate ready for sale				
Land	31,461,852	-	31,461,852	-
Commercial units	7,790,297	6,086,146	5,761,581	-
Total	<u>39,252,149</u>	<u>6,086,146</u>	<u>37,223,433</u>	<u>-</u>
Grand total	<u>39,252,149</u>	<u>40,272,226</u>	<u>37,223,433</u>	<u>34,186,080</u>

For the year ended December 31, 2011 and 2010, real estate development cost recognized as cost of sales in the consolidated financial statements at Baht 14.32 million and Baht 1.60 million respectively and in the separate financial statements at Baht 10.23 million and Baht 0.53 million respectively.

10. 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
10.1	<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	(1,910,841)	(2,111,841)	(1,910,841)	(2,111,841)
	Investments in marketable securities available for sales-net	2,404,500	2,203,500	2,404,500	2,203,500
10.2	<u>Investment in debt instrument-held to maturity</u>				
	Bond	1,519,135	1,808,055	319,626	880,679
	<u>Plus</u> additional investment	-	263,256	-	-
	<u>Less</u> Redemption of bonds	(750,000)	(500,000)	-	(500,000)
	<u>Plus (less)</u> accumulated amortization of (premium) discount on bonds	(12,606)	(59,273)	143	(61,053)
	Total	756,529	1,512,038	319,769	319,626
	<u>Less</u> Current portion	-	(749,978)	-	-
	Net	756,529	762,060	319,769	319,626
	Total Long-term investments-Net	3,161,029	2,965,560	2,724,269	2,523,126

As at December 31, 2011 and 2010, the whole amount of debt security-held to maturity was pledged as collateral for the use of electricity.

11. Investments in subsidiary companies

(Unit : Baht)								
Company's Name	Paid-up		Percentage of		Separate Financial Statements		Dividend	
	share capital				Investment Cost Method		For the year	
	(Unit : Thousand Baht)		investments		As at December 31,		ended December 31,	
	2011	2010	2011	2010	2011	2010	2011	2010
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	200,000	98.82	98.82	197,794,784	197,794,784	-	93,836,196
T S Warehouse Co., Ltd.	12,500	12,500	64.13	64.13	10,073,145	10,073,145	-	-
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	508,542,734	-	93,836,196

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.

12. Investment properties-net

(Unit : Baht)

Consolidated Financial Statements					
	Land	Building and Improvement	Machine and Equipment	Work in Construction	Total
Cost :-					
As at January 1, 2010	59,210,840	270,831,164	53,640,002	-	383,682,006
Purchase	-	-	26,964	245,582	272,546
As at December 31, 2010	59,210,840	270,831,164	53,666,966	245,582	383,954,522
Purchase	-	3,376,428	-	-	3,376,428
Transfer in	-	245,582	-	-	245,582
Transfer out	-	-	-	(245,582)	(245,582)
As at December 31, 2011	59,210,840	274,453,174	53,666,966	-	387,330,980
Accumulated Depreciation :-					
As at January 31, 2010	-	(189,075,664)	(53,436,137)	-	(242,511,801)
Depreciation for the year	-	(5,196,391)	(55,372)	-	(5,251,763)
As at December 31, 2010	-	(194,272,055)	(53,491,509)	-	(247,763,564)
Depreciation for the year	-	(6,532,901)	(56,293)	-	(6,589,194)
As at December 31, 2011	-	(200,804,956)	(53,547,802)	-	(254,352,758)
Allowance for Assets Impairment :-					
As at December 31, 2010	(282,000)	-	-	-	(282,000)
As at December 31, 2011	(282,000)	-	-	-	(282,000)
Net Book Value :-					
As at December 31, 2010	58,928,840	76,559,109	175,457	245,582	135,908,988
As at December 31, 2011	58,928,840	73,648,218	119,164	-	132,696,222

(Unit : Baht)

Separate financial statement

	Land	Building and Improvement	Total
Cost :			
As at January 1, 2010	56,047,048	155,634,982	211,682,030
Purchase	-	8,207,411	8,207,411
As at December 31, 2010	56,047,048	163,842,393	219,889,441
Purchase	-	2,340,817	2,340,817
As at December 31, 2011	56,047,048	166,183,210	222,230,258
Accumulated Depreciation :			
As at January 1, 2010	-	(140,424,407)	(140,424,407)
Depreciation for the year	-	(3,235,047)	(3,235,047)
As at December 31, 2010	-	(143,659,454)	(143,659,454)
Depreciation for the year	-	(4,279,784)	(4,279,784)
As at December 31, 2011	-	(147,939,237)	(147,939,237)
Net Book Value :			
As at December 31, 2010	56,047,048	20,182,939	76,229,987
As at December 31, 2011	56,047,048	18,243,973	74,291,021

The Group Companies have operating lease agreements related to the lease of land, factory building and warehouse with the tenor range from 2 months to 30 years. As at December 31, 2011, the assets leased under the said operating lease would generate the future minimum rental income in 1 year as follows :-

(Unit: Thousand Baht)

	<u>Consolidated</u> <u>Financial Statements</u>	<u>Separate</u> <u>Financial Statements</u>
Residential unit lease agreement	485	-
Warehouse lease agreement	38,794	17,179
Land lease agreement	1,394	13,193

As at December 31, 2011 and 2010, the Group Companies has the assets for rent with the book value stated in the consolidated financial statements of Baht 120.38 million and Baht 123.37 million respectively and in the separate financial statements of Baht 70.89 million and Baht 72.83 million respectively were pledged as collateral against credit facilities given by two commercial banks as detailed in the notes to financial statements No. 14.

13. Property, plant and equipment-net

(Unit: Baht)

Consolidated Financial Statements								
	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 January 1, 2010	65,204,346	224,793,007	26,868,389	45,388,696	509,162,718	27,260,299	309,514,368	1,208,191,823
Purchase	-	1,572,129	168,400	-	13,469,698	13,877,556	155,576,689	184,664,472
Transfer in	-	117,508,016	3,780,274	-	319,770,264	-	5,999,449	447,058,003
Disposal	(97,693)	(298,046)	-	-	(2,465,958)	(2,930,000)	-	(5,791,697)
Transfer out	-	-	-	-	(50,850)	-	(447,007,153)	(447,058,003)
As at December 31, 2010	65,106,653	343,575,106	30,817,063	45,388,696	839,885,872	38,207,855	24,083,353	1,387,064,598
Purchase	-	109,200	97,145	-	15,579,620	1,813,326	50,320,309	67,919,600
Transfer in	-	16,451,607	-	-	13,514,337	-	1,690,972	31,656,916
Disposal	-	-	-	-	(112,000)	(2,000,000)	-	(2,112,000)
Transfer out	-	-	-	-	(11,530)	-	(29,248,362)	(29,259,892)
As at December 31, 2011	65,106,653	360,135,913	30,914,208	45,388,696	868,856,299	38,021,181	46,846,272	1,455,269,222
Accumulated Depreciation :-								
As at January 1, 2010	(1,874,733)	(111,862,679)	(22,854,212)	(40,482,638)	(169,435,923)	(14,860,401)	-	(361,370,626)
Depreciation for the year	(75,073)	(11,036,554)	(1,579,555)	(1,148,246)	(37,969,333)	(6,185,388)	-	(57,994,149)
Disposal/Write Off	-	25,202	-	-	1,159,760	2,929,999	-	4,114,961
As at December 31, 2010	(1,949,846)	(122,874,031)	(24,433,767)	(41,630,884)	(206,245,496)	(18,115,790)	-	(415,249,814)
Depreciation for the year	(75,073)	(9,198,329)	(1,340,959)	(1,148,245)	(36,253,102)	(3,694,308)	-	(51,710,016)
Disposal/Write Off	-	-	-	-	84,813	1,487,383	-	1,572,196
As at December 31, 2011	(2,024,919)	(132,072,360)	(25,774,726)	(42,779,129)	(242,413,785)	(20,322,715)	-	(465,387,634)
Allowance for Assets Impairment :-								
As at December 31, 2010	-	(501,207)	-	-	-	-	-	(501,207)
As at December 31, 2011	-	(501,207)	-	-	-	-	-	(501,207)
Net Book Value :-								
As at December 31, 2010	65,156,807	220,199,868	6,383,296	3,757,812	633,640,376	20,091,065	24,083,353	971,313,577
As at December 31, 2011	63,081,734	227,562,346	5,139,482	2,609,567	626,442,514	17,698,466	46,846,272	989,380,381

(Unit: Baht)

Separate financial statements								
	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 January 1, 2010	46,749,859	14,897,100	21,070,457	45,388,695	78,716,005	5,558,000	2,285,031	214,665,147
Purchase	-	-	-	-	980,202	650,000	1,367,822	2,998,024
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	46,749,859	18,260,062	21,360,348	45,388,695	79,168,707	3,278,000	-	214,205,671
Purchase	-	-	97,145	-	1,061,034	-	3,350,726	4,508,905
Transfer in	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	(2,000,000)	-	(2,000,000)
Transfer out	-	-	-	-	-	-	-	-
As at December 31, 2011	46,749,859	18,260,062	21,457,493	45,388,695	80,229,741	1,278,000	3,350,726	216,714,576
Accumulated Depreciation :-								
As at January 1, 2010	-	(12,183,622)	(20,200,127)	(40,482,639)	(77,748,062)	(4,262,915)	-	(154,877,365)
Depreciation for the year	-	(320,935)	(361,550)	(1,148,246)	(654,276)	(497,589)	-	(2,982,596)
Disposal	-	-	-	-	527,499	2,929,999	-	3,457,498
As at December 31, 2010	-	(12,504,557)	(20,561,677)	(41,630,885)	(77,874,839)	(1,830,505)	-	(154,402,463)
Depreciation for the year	-	(348,115)	(388,916)	(1,148,245)	(556,783)	(512,466)	-	(2,954,525)
Disposal	-	-	-	-	-	1,487,383	-	1,487,383
As at December 31, 2011	-	(12,852,672)	(20,950,593)	(42,779,130)	(78,431,622)	(855,588)	-	(155,869,605)
Allowance for Assets Impairment :-								
As at December 31, 2010	-	(501,207)	-	-	-	-	-	(501,207)
As at December 31, 2011	-	(501,207)	-	-	-	-	-	(501,207)
Net Book Value :-								
As at December 31, 2010	46,749,859	5,254,298	798,671	3,757,810	1,293,868	1,447,495	-	59,302,001
As at December 31, 2011	46,749,859	4,906,183	506,900	2,609,565	1,798,119	422,412	3,350,726	60,343,764

As at December 31, 2011 and 2010, five subsidiary companies' building improvements, building and work in construction of factory buildings amounting of Baht 232.34 million and Baht 240.90 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.

As at December 31, 2011 and 2010, buildings, equipment and vehicles as in the consolidated financial statements at cost values of Baht 92.48 million and Baht 91.69 million respectively and in the separate financial statements of Baht 87.02 million and Baht 86.70 million respectively, were fully depreciated but still in use.

As at December 31, 2011 and 2010, the Group Companies has land, constructions and machines with the book value stated in the consolidated financial statements of Baht 833.64 million and Baht 849.95 million respectively and in the separate financial statements at the same amount of Baht 41.34 million for both periods were pledged as collateral against credit facilities given by two commercial banks as detailed in the notes to financial statements No. 14.

For the years ended December 31, 2011 and 2010, A subsidiary company have interest expenses incurred from the loans borrow for construction of factory and machine installation of Baht 0.13 million and Baht 2.91 million respectively, are included as the cost of asset.

In 2011, two subsidiary companies have revised the useful lives and the remaining value of building and construction, machinery and equipments (in some parts) and vehicles to better suit the current situation. A subsidiary company revised the estimated useful live by hiring an independent appraiser, whom has been approved by the Securities and Exchange Commission, by applying the cost method for the appraisal of the assets to find the remaining value and the net remaining useful life of the construction and machinery. Furthermore, the management of the said subsidiary company has revised the useful live and the scrap value of vehicles by applying the marketing price comparison method. Another subsidiary company has revised the estimated useful live and the scrap value when the useful live ended for the building and construction, machinery and equipments (in some parts) by using the information on the estimate prepared by the engineers of the subsidiary company.

From the said appraisal performed, the subsidiary companies have changed the estimated useful live of assets, which the subsidiary companies recorded the said changes by prospectively applied method thus resulted in the decrease in depreciation in the financial statements for the year ended December 31, 2011 by Baht 17.75 million. The revised estimated useful lives of assets are as follows: -

	<u>Previous Rate</u>	<u>New Rate</u>
- Building and Building improvement	4-30 years	15-30 years
- Machinery and Equipment	5-20 years	5-30 years
- Vehicle	5 years	7-20 years

14. Credit facilities and guarantee

As of December 31, 2011 and 2010, the Group Companies received the following credit facilities from two financial institutions; bank overdraft, short-term and long-term loans, trust receipts, letter of credit and forward exchange contracts as mentioned in the notes to financial statements Nos. 15, 17 and 26.1. 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 and 13. 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 lending 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 2.0 : 1 and the long-term debt to equity ratio to not exceeding 1.5 : 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.

15. 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Loans in form of promissory notes	687,000,000	327,000,000	-	34,000,000
Trust Receipts	255,493,178	130,280,465	-	-
Total	942,493,178	457,280,465	-	34,000,000

As at December 31, 2011 and 2010, 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 in the consolidated financial statements at 4.30% - 4.53% per annum and 2.25% - 3.00% per annum respectively and in the separate financial statements at 2.25% - 2.95% per annum.

As at December 31, 2011 and 2010, 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. 14.

16. Trade and other 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Trade accounts payable-Related parties	-	-	1,446,105	-
Trade accounts payable-Other parties	54,669,971	65,340,145	644,050	241,235
Total trade accounts payable	54,669,971	65,340,145	2,090,155	241,235
Other accounts payable	12,180,827	438,789	735,486	160,526
Payable for asset purchased	6,575,827	1,767,353	-	-
Accrued expenses	28,563,660	19,306,017	6,182,550	4,021,880
Deposit received	1,627,100	2,044,965	-	-
Prepaid received	770,955	1,035,099	1,125,500	560,000
Total other accounts payable	49,718,369	22,824,870	7,968,122	4,742,406
Total trade and other accounts payable	104,388,340	89,932,368	10,133,691	4,983,641

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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Loans from financial institution				
(1 st Credit line in Baht 80 million)	-	20,000,000	-	20,000,000
(2 nd Credit line in Baht 200 million)	136,000,000	146,000,000	-	-
(3 rd Credit line in Baht 140 million)	60,000,000	100,000,000	-	-
Total	196,000,000	266,000,000	-	20,000,000
<u>Less</u> Current portion of long-term loans	(80,000,000)	(60,000,000)	-	(20,000,000)
Net	116,000,000	206,000,000	-	-

The movements in loans for the year ended December 31, 2011 and 2010 is as follows :-

(Unit : Baht)

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Beginning book value	266,000,000	288,903,798	20,000,000	180,000,000
Increase in the year	-	177,096,202	-	-
Repaid in the year	(70,000,000)	(200,000,000)	(20,000,000)	(160,000,000)
Ending book value	196,000,000	266,000,000	-	20,000,000

In the consolidated and the separate financial statements as of December 31, 2011 and 2010, the Group Companies obtained loans from a financial institution. The credit facilities obtained can be classified into three credit lines with important covenants as follows :-

17.1 1st 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. 14.

17.2 2nd 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. 14.

17.3 3rd 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. 14.

18. Employee Benefit Obligations

The Group Companies adopted TAS 19 Employee Benefits, which became effective from January 1, 2011 and the effect on the financial statements is disclosed in the notes to the financial statements No. 2.4.3.

The Group Companies operate a post employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on their entitlement and length of service.

Movement in the employee benefit obligations for the year ended December 31, 2011 is as follows :-

	(Unit : Baht)	
	<u>Consolidated Financial Statements</u>	<u>Separate Financial Statements</u>
Beginning employee benefit obligations	23,524,135	13,327,357
<u>Plus</u> Current service cost and interest	4,348,802	1,682,803
<u>Less</u> Written down-employee benefit obligation	(1,480,658)	-
Ending employee benefit obligations	<u>26,392,279</u>	<u>15,010,160</u>

Expenses recognized in profit or loss for the year ended December 31, 2011

(Unit : Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
Current service costs	1,194,875	574,440
Interest on obligations	1,673,269	1,108,363
Total	2,868,144	1,682,803

The said expenses recognized in profit or loss are shown collectively under the following captions:

(Unit : Baht)

	<u>Consolidated</u>	<u>Separate</u>
	<u>Financial Statements</u>	<u>Financial Statements</u>
Cost of sales	1,331,753	574,440
Administrative expenses	1,536,391	1,108,363
Total	2,868,144	1,682,803

Principal actuarial assumptions at the reporting date are as follows: -

Discount rate	4.50%
Salary increase rate	5.00%
Employee turnover rate	2.00%
Retirement age	55 years old

Assumptions on the future mortality rate hold to the publicly published statistic information and mortality table. The discount rate is based on the interest rate of 10 years long-term government bonds.

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, 2011 and 2010, in the consolidated financial statements, debt to equity ratio is 1.42 : 1.00 and 1.03 : 1.00 respectively and the separate financial statements, debt to equity ratio is 0.13 : 1.00 and 0.19 : 1.00 respectively.

20. Dividend Paid and legal reserve

In accordance with the minutes of the annual general shareholders' meeting No. 1/2554 held on April 28, 2011, it approved the payment of dividends from the Company's operating result for the year 2010 at the rate of Baht 0.24 per share totaling Baht 31.68 million. The dividends have already been paid to the shareholders on May 27, 2011.

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

21. Executives' remuneration

For the year ended December 31, 2011 and 2010, a portion of the executives' remuneration amounting to Baht 10.30 million and Baht 8.40 million in the consolidated financial statements and Baht 6.38 million and Baht 6.34 million in the separate financial statements respectively 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 Company.

22. 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Salaries, wages and other benefits to employees	128,939,705	95,922,174	35,595,128	29,285,465
Raw material and supplies used	1,706,273,039	1,428,115,002	-	-
Purchased finished goods	44,011,365	7,251,206	-	-
Changes in finished goods and work in process	(38,827,656)	(30,117,398)	-	-
Real estate costs	14,320,763	1,604,790	10,225,332	529,760
Loss from raw-material damaged by fire	33,586,317	-	-	-
Depreciation	58,299,210	63,245,912	7,234,308	6,217,643
Transportation expenses	24,399,425	11,345,247	-	-
Operating expenses-warehouse	30,504,601	15,559,606	55,341,047	21,361,332
Public utility fee	36,505,509	29,677,377	5,421,544	4,353,352
Financial Cost	45,694,079	27,330,383	1,966,995	5,594,019
Other operating expenses	71,360,459	75,293,143	11,984,132	8,165,523
Total	2,155,066,816	1,725,227,442	127,768,486	75,507,094

23. Income Tax Expense

For the year ended December 31, 2011, income tax of the Company is 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 expense allowed to be deducted by increased amount (For the year ended December 31, 2010, 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. The said tax rates applied in accordance to the Royal Decree No. 475 (B.E. 2551) dated July 29, 2008). For the year ended December 31, 2010, the majority of the adjustment to profit before income tax is the deduction of the exempted dividend income received at Baht 93.89 million and adding back the additional expenses from the capital decrease not exceeding the retained earnings of the subsidiary company at Baht 5.94 million.

For the years ended December 31, 2011 and 2010, 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 and tax exemption for the promoted activities.

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid-up ordinary shares during the year.

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>For year ended December 31,</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period (Unit : Baht)	127,955,527	66,119,508	68,742,237	132,120,717
Number of issued and paid-up ordinary shares				
(Unit : shares)	131,999,970	131,999,970	131,999,970	131,999,970
Basic earnings per share (Unit : Baht)	0.97	0.50	0.52	1.00

25. Financial information by sectoral

Details of the sectoral business operations in the consolidated financial statements for the year ended December 31, 2011 and 2010, 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								
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue from services	302,256	158,968	8,248	7,697	-	-	-	-	-	-	55,046	14,214	(98,863)	(67,887)	266,687	112,992
Revenue from real estate activities	-	-	-	-	-	-	-	-	23,000	2,265	-	-	-	-	23,000	2,265
Revenue from sales	-	-	-	-	1,115,667	780,386	946,595	934,513	-	-	-	-	(9,412)	(14,413)	2,052,850	1,700,486
Profit from operation	166,110	78,648	2,280	3,119	55,402	7,726	166,313	163,088	8,679	660	20,243	1,610	(19,576)	(19,051)	399,451	235,800
Other income															19,964	17,300
Selling expenses															(27,818)	(23,853)
Administrative expenses															(138,469)	(94,101)
Financial cost															(45,694)	(27,330)
Income tax expenses															(68,636)	(45,302)
Net profit from operation															138,798	62,514
(Less) add (profit) loss of non-controlling interests of the subsidiaries															(10,842)	3,605
Profit for the years															127,956	66,119
Assets used in operation as at December 31, :-																
Trade and other accounts receivable-net	26,005	24,228	272	213	170,176	112,185	109,678	114,288	-	-	277	-	(5,885)	(4,484)	300,524	237,754
Inventories-net	-	-	-	-	362,543	50,566	328,607	219,426	-	-	-	-	(89)	(173)	691,061	269,819
Real estate development cost	-	-	-	-	-	-	-	-	39,252	40,702	-	-	-	-	39,252	40,272
Investment properties-net	74,291	76,230	74,495	75,781	-	-	-	-	-	-	-	-	(16,090)	(16,102)	132,696	135,909
Property, plant and equipment-net :																
- Appropriate	64,838	57,942	188	143	481,851	456,232	424,215	432,080	-	-	1,108	1,589	9,633	15,746	981,833	963,732
- Central	7,547	7,582	-	-	-	-	-	-	-	-	-	-	-	-	7,547	7,582
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	117,206	73,472
Total Assets															2,270,119	1,728,540

26. Commitments and contingent liabilities

- 26.1 In the consolidated and the separate financial statements as at December 31, 2011 and 2010, the Group Companies have commitments and contingent liabilities 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Letters of guarantee (Utilized)	17,046	12,267	6,051	6,051
Letters of guarantee (Unutilized)	7,954	10,233	1,449	1,449
Letters of credit, trust receipt, short-term loan (Utilized)	431,437	611,864	-	-
Letters of credit, trust receipt, short-term loan (Unutilized)	268,563	88,135	-	-
Forward exchange contract (Unutilized)	1,049,344	1,060,000	-	-
Unutilized bank overdraft	87,500	90,000	50,000	50,000
Unutilized short-term loan	605,000	368,000	80,000	46,000
Joint credit line in letter of credit and long-term loans (Unutilized)	114,000	114,000	-	-

As at December 31, 2011 and 2010, 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. 14.

- 26.2 As at December 31, 2011 and 2010, the Company and its 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Contractual value	24,243	17,660	13,032	-
Remaining binding contractual value	2,120	4,234	642	-

- 26.3 As at December 31, 2010, a subsidiary company has the obligation regarding machine purchase agreement 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. During the third quarter of 2011, the obligation has been paid to the full amount.

26.4 As at December 31, 2011 and 2010, two subsidiary companies have the obligation regarding goods selling agreement which have not yet been delivered at Baht 9.07 million and Baht 15.47 million respectively.

26.5 As at December 31, 2011 and 2010, a subsidiary company has the obligation regarding the purchase of raw material from overseas which have not been completely delivered at USD 9.70 million and USD 9.98 million respectively.

27. 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 use 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, 2011

	Fixed Interest Rate		Floating	Non	Total
	Within	Interest Rate	Interest Rate	Interest Bearing	
	1 year	to 5 years			
<u>Financial Assets</u>					
Deposit at banks	-	-	99,554,775	2,397,422	101,952,197
Other long-term investments-government bonds	256,888	499,641	-	-	756,529
Trade and other accounts receivable	-	-		300,688,695	300,688,695
Total	256,888	499,641	99,554,775	303,086,117	403,397,421
<u>Financial Liabilities</u>					
Short-term loans from financial institutions	125,000,000	-	817,493,178	-	942,493,178
Long-term loans from financial institutions	-	-	196,000,000	-	196,000,000
Trade and other accounts payable	-	-	-	73,426,625	73,426,625
Total	125,000,000	-	1,013,493,178	73,426,625	1,211,919,803

(Unit : Baht)

Consolidated Financial StatementsAs at December 31, 2010

	Fixed Interest Rate		Floating	Non	Total
	Within	Interest Rate	Interest Rate	Interest Bearing	
	1 year	to 5 years			
<u>Financial Assets</u>					
Deposit at banks	-	-	48,910,424	7,974,973	56,885,397
Other long-term investments-government bonds	749,978	762,060	-	-	1,512,038
Trade and other accounts receivable	-	-	-	244,544,431	244,544,431
Total	749,978	762,060	48,910,424	252,524,404	302,946,866
<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
Trade and other accounts payable	-	-	-	67,546,287	67,546,287
Total	-	-	723,280,465	67,546,287	790,826,752

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, 2011, and 2010, 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>2011</u>	<u>2010</u>
'000 USD	121	1,971

As at December 31, 2011, 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, 2011</u>
Amount fixed in contract	'000 USD	340
Amount earned in contract	Thousand Baht	10,656
Net fair value under the forward contract	Thousand Baht	110

Fair Value

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

28. 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, 2011 and 2010, in the consolidated financial statements, the Group Companies contributions amounted to approximately Baht 0.86 million and Baht 0.77 million respectively.

29. Approval of financial statements

These financial statements have been approved for issuance by THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED's authorized directors on February 23, 2012.
