



Thai Sugar Terminal Public Company Limited

# ANNUAL REPORT 2015



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## **Message from the Chairman**



In 2015, the Company **Thai sugar Terminal Public Company Limited.** The Board has considered carefully the policy on business conduct, regardless of whether it is investment in all business operations of the company and its subsidiaries. The Executive-financial operations and risk management personnel, as well as the consideration of funding sources that support the business operations of its affiliates to achieve maximum benefits. As well as recognize the importance of good corporate governance, maintain adequate internal control system. This is the most important to focus on the benefit to the company and shareholders. And has set a vision. Mission and operational manuals policies of companies with social responsibility. Principles of business ethics, transparency, respect for human rights. And the interests of stakeholders.

Finally, on behalf of the Board of Directors. Thanks to all employees The efforts to develop the company. Always make progress steadily. And thank shareholders Partners who support the company as well. The company will remain committed to continuous improvement sustainable growth Coupled with a commitment to the community.



Pricha Attavipach

Chairman

## **Message from the Chief Executive Officer and President**



Sugar industry is the industry of agricultural sector exports revenues into the country in a single year are numerous. For the production year 2014/2015 amount of sugar cane across the country has reached 105.959 billion tons increase 2.359 million tons, with the output quantity as sugar amount 1.6 million tons, raw sugar of 3.9 million tons, another type of sugar 0.647 million tons. There is also a by-product from manufacturing include molasses number 4.607 million tons. In 2015, the company and its subsidiaries have income from total operations 1,672.44 million baht increase from the year before, the number of 103.517 million baht or 6.59 with the total turnover net profit 144.76 million baht compared with last year's operating profit, 2014 from 207.17 million baht, decreased 62.41 million baht or decreased 30.12 percent, Because the revenue from cargo handling and warehousing decrease with the company and its subsidiaries during expansion the company has increased the cost increase

The specific performance acts for the year 2015 company net profit after income from dividends from subsidiaries and a number of 74.04 million baht, Decrease from a year ago, the net income of 98.02 million baht, an decrease of 23.98 million baht, an decrease of 24.46 because the income from the service in 2015, an decrease from the year 2014 in the amount of 37 million baht per cent 14.32

Finally, on behalf of the Board of Directors of the company. **Thai sugar Terminal Public Company Limited** and its subsidiaries. Thank you to all the shareholders who have given the trust and good support of the company's business. The Board is ready to take care of affairs of the company and subsidiaries provide stability and further progress in the future.



Prapas Chutimavoraphand

Chief of Executive Officer and President


## **Report of the Audit Committee**

Audit Committee the company Thai Sugar Terminal Public Company Limited, consisting of independent directors of the company the number 3 by Mr. Chadej Insawang was the Chairman of the audit, Mr. Nisakorn Parkpean, Mr. Suang Ruangsook and persevere as a member of the Audit Committee the Audit Committee 2015 year there were 4 meetings, including directors and participate in all meetings. The attendance of each Committee member has reported in the annual report and various action 2015 summarized as follows:



1. Review of financial reports quarterly and annual financial statement of the company and subsidiaries based on the accounting data. In accordance with financial reporting standards, internal control relevant to the preparation of these financial statements. By the conference to consider, in cooperation with the executive in the company's and the company's offices, external auditors on a regular basis. By reporting observations from review and verify this during the review and monitoring of the external auditor found no fraud or violation of the laws of the company and its subsidiaries .
2. Meeting with the company, our internal audit from Dharmaniti Co., Ltd. to assess the effectiveness and sufficiency of the internal control system of the unit. Keynote detected, as well as the follow-up improvement issues detected, as well as guidelines for protection to prevent damage, which is offered by the internal auditor. With an emphasis on independence of the internal auditor and the external auditor.
3. The approval internal audit plans for the year 2014 by stressing in that matter, there is a risk that affects significantly the business of the company and its subsidiaries by the follow-up edit, based on a suggestion of internal audit to be done properly and consistently, so that the business operations of the subsidiaries, as to efficiency and effectiveness.
4. Review of governance practices based on legal requirements relating to the company's business operations, including compliance with all requirements of the stock exchange, Thai and other related legislation by meeting with executive of accounting, external auditor and the internal auditor.
5. Consider and make recommendations in cases where there may be a conflict of interest or related transaction by the principles of transparency and adequate disclosure principle in performing tasks and in accordance with the principles of good corporate governance.
6. Evaluate the performance of the internal auditor and the internal auditor, as well as consider the knowledge and experience of the external Auditor and the internal auditor, as well as the compensation, external audit and internal audit that is suitable for presentation to the Board of Directors to provide comments on the proposed list of Auditors and compensation to the shareholders' meeting to approve the appointment of the year 2016.

In the operation, according to roles in last year's Audit Committee reviewed 2015 and consider the operation of the company, based in conjunction with management responsibility. Internal auditor and the external auditor and the Audit Committee that the company has an internal control system is appropriate and sufficient, and has operations in accordance with the relevant legal requirements for business, including the company's financial statements have been prepared in accordance with accounting principles generally accepted. With the introduction of the risk management system and audit procedure into consideration.

  
(Mr. Chadej Insawang)

Chairman of Audit Committee



## **Board of Directors**



**Mr. Pricha Attavipach**  
**Chairman**



**Mr. Prapas Chutimavoraphand**  
**Chief of Executive Director**  
**and President**



**Mr. Chadej Insawang**  
**Independent Director,**  
**Chairman of Audit Committee**



**Mr. Pong Chinthammit**  
**Director and**  
**Executive Director**



**Mr. Chanachai Chutimavoraphand**  
**Director and**  
**Executive Director**

## **Board of Directors**



**Mr. Narong Chenlarpwatanakul**  
**Director and**  
**Executive Director**



**Mr. Suang Ruangsook**  
**Independent Director**  
**Audit Committee**



**Mr. Nisakorn Parkpean**  
**Independent Director**  
**Audit Committee**  
**Chairman of The Nomination and**  
**Compensation**



**Mr. Chalush Chinthammit**  
**Directors**



**Mr. Somchai Chinthammit**  
**Directors**



## **Board of Directors**



**Mr. Dhanadol Sujiphinyo**  
**Directors**



**Mr. Win Chinthammit**  
**Directors**



**Ms. Jutatip Arunanondchai**  
**Independent Director**  
**Director of The Nomination and**  
**Compensation**



**Dr. Suphsorn Chayovan**  
**Directors**



**Dr. Charnkrij Dejvitak**  
**Director and Executive Director**  
**Resignation from the Board**  
**On January 1, 2016**



**Mrs. Yaovanuth Dejvitak**  
**Director and Executive Director**  
**Appointed to the Board**  
**On January 1, 2016**

## **1. Policy and overall business operations**

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 later purchased additional land and expand the current space into a 154 rai 3 ngan 50 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 1987 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 1987, T S Warehouse Company Limited (a Subsidiary) incorporated with a registered capital of 50 million Baht by Divided into 500,000 ordinary shares of 100.- Paid Baht 25 per share.- Amount to Baht 12,500,000 Baht. The Thai Sugar Terminal Public Co., Ltd. hold 62.60 percent of the share capital, warehouse business deposit products and raw sugar bulk and white sugar bag waiting for the transport fleet, the Company, holding 62.60 percent of the shares and the directors shares. 22.15 percent due to compliance with conditions promotion of business silos and cold storage warehouses promotion and Market Development Division Department of Internal Trade Ministry of Commerce Requiring the Board to be held not less than one-fifth of the share capital.

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.

In 2005, 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 percent 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; In 2015, a tenant is 94.07 percent of all rooms. 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 3<sup>rd</sup> quarter of year 2009. In 2015, a tenant is 97.22 percent of all rooms.



In 2006, 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 percent 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 percent 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). In 2012, 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 Market for Alternative Investment and approved as a listed company on the Market for Alternative Investment in November 2012 when the Thai Sugar Terminal Public Co., Ltd. currently holds 69.35 percent.

In 2007, Thai Sugar Transportation Co., Ltd. had changed its name to T. S. Transportation and Logistics Co., Ltd. (a Subsidiary) In 2007 and with 50 million baht authorized capital ( former only 5 million baht) and Thai Sugar Terminal Public Co., Ltd. hold 77.44 percent share. The company business is wheat flour transportation for its service’s 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 percent share.

In 2009, Sugar Silo Warehouse Co., Ltd. to T S G Property Co., Ltd. with 30 million baht authorized capital paid-up authorized capital and Thai Sugar Terminal Public Co., Ltd. hold 62.07 percent 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., (a Subsidiary) 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. Later in the year 2012 registered capital to 600 million baht, which owns 97.48 percent.

In 2012, November of T S Flour mill Public Company Limited TMILL (a subsidiary) has received approval from the office of the Board of Directors of the Securities and Exchange Commission (SEC) to make buying and selling stock in the market investment by issuing additional ordinary shares share capital of 85 million shares selling to the general public make the proportion of the company's shares in its subsidiary, down from 98.82 percent decrease in rate or 69.34 (Dilution- Effect) 29.82 percent.

### **1.1 goals in business**

The company has business operations with social responsibility. The principles of business ethics, transparency, accountability, respect for human rights. And the interests of stakeholders under the vision and mission as follows;

**Visions** Is a leading provider of warehouse, harbor and business continuity with international standards. The main administration with good governance to sustainability.

**Mission**

- 1) Develop services to meet the needs of customers with quality and enhance the competitiveness of enterprises in the same business model in professional standards.
- 2) To monitor market information and news timely to minimize the risks of operating in parallel with the environmental management appropriately.
- 3) Seek opportunities to expand the business diversified to create profits for the company and its shareholders and return back to society, shareholders, customers, and employees related.
- 4) administered by the virtue and good governance. Without corrupt. The current business and investing in new businesses to sustainability.

Long-term goals of the business of the company is to develop services to facilitate cargo handling services to customers bring products to customers more diverse not only its core raw sugar and only white sugar.

In short, the company aims to be one of the better service to customers with a convenient location and facilities to the customers adequately. A customer service Customers can claim their dissatisfaction in the goods and services at any time to take care of the maintenance facility, as well as various machinery ready to be made available to customers at all times.

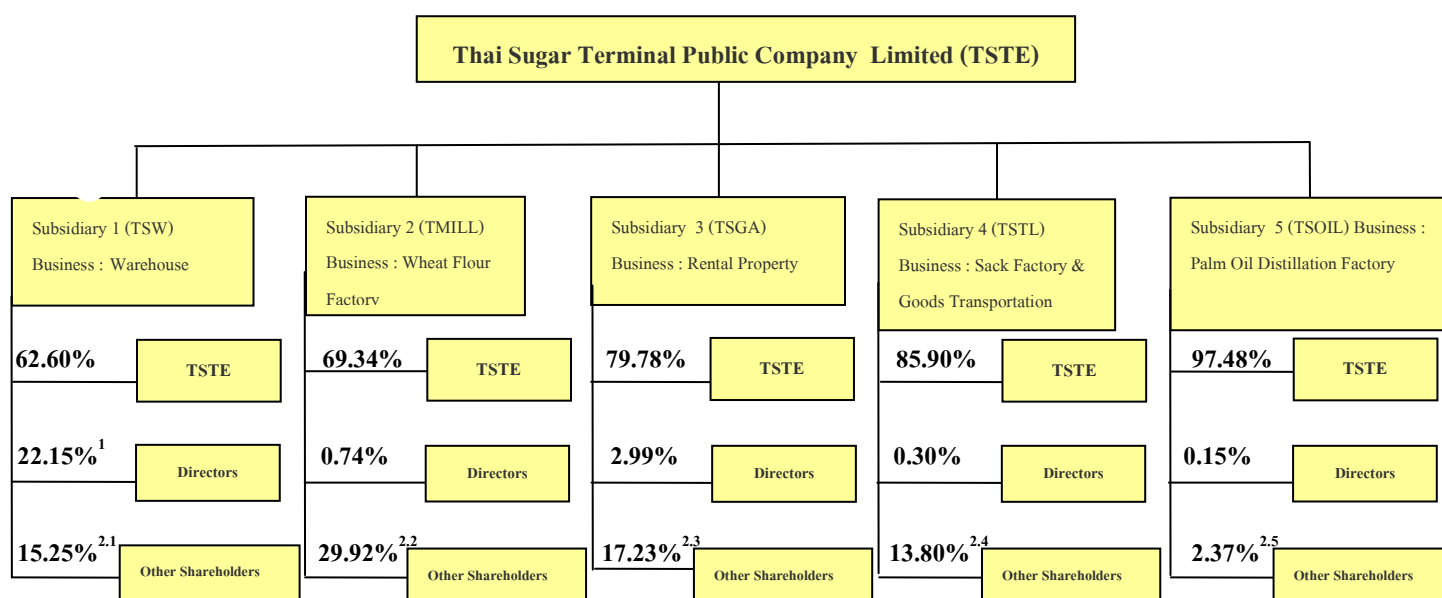
### **1.2 Changes and major developments in the last three years**

- In 2013
- 1) The company construction of two warehouses to increase the total area of 12,237 square meters
  - 2) TS Oil Industry Co., Ltd. (a subsidiary) has been affected by the CPO price in the market downturn. Because palm nationwide oversupply costs for crude palm oil in stock market prices much higher losses. The Board of Directors has approved the company's G-Tech Company Limited for palm oil refinery. For a period of three years from May 2013 to May 2016
- In 2014
- 1) The company construction of the warehouse, increasing the number one area of 2,800 square meters
- In 2015
- 1) The company construction company building the new seven-storey building one
  - 2) The company construction of warehouses has increased the number one area of 2,660 square meters
  - 3) The company approved the project berth container by the T.S. transportation and logistics company limited (a subsidiary) is an investment area for the project, a total of 32,388 square meters and can accommodate containers in total. 3,500 teus.
  - 4) The Company has approved a project Mahawong villa for the construction of apartment amount 25 unit and townhouse amount 77 unit

5) The Company discontinued the business deposit molasses (molasses), which the management is of the opinion that the current contacts from customers for deposits less molasses

6) The Extraordinary General Meeting of Shareholders of the Company held on September 24, 2015, unanimously approved the change in the number and value of shares at par (Par Value) of the original par value of Baht 1.00 per share of 145,199,967 shares are worth. par Baht 0.50 number of shares 290,399,934

### 1.3 Share Holding in Subsidiaries as on 31 December 2015



**Note :** 1. T S Warehouse Co., Ltd. held 22.15 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 Jenlarpwattanakul 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	

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

List and trading on the Market for Alternative Investment (MAI) by Thai Sugar Terminal Public Co., Ltd. Currently holds 69.34 percent, remaining 30.66 percent of the director and shareholders whose names appear in The Thailand Securities Depository Co., Ltd.

## 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 Chenlarprawatanakul 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. Chai Arunanonchai	0.52	None
Mr. Surajak Ruangsuk	0.17	None
Mrs. Punlap Ruangsuk	0.17	None
Kumphawapi Sugar Co., Ltd.	0.01	None
Total other shareholders	17.23	

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

Other Shareholders	% of Stock	Committee/ Executive Concernment
Khon Kaen Sugar Industry Public Company Limited	10.13	There are Mr. Prapas Chutimaworaphan, Mr. Charat 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 15 Shareholders	0.25	None
Total other shareholders	13.80	



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

Other Shareholders	% of Stock	Committee/ Executive Concernment
Mitr Kaset Industry Co., Ltd.	1.00	There is Mr. Narong Jenlapwattanukul as Co Committee
Prachuap Industry Co., Ltd.	0.26	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. Chai Arunanonchai	0.10	None
Mr. Surajak Ruangsuk	0.03	None
Mrs. Punlap Ruangsuk	0.03	None
Man Khong Siam Business Co., Ltd.	0.16	There is Mr. Chanachai Chutimaworaphan as Co Committee
Mrs. Araya Arunanonchai	0.16	None

## 2. Business Characteristic

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 154 rai 3 ngan and 50 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 ,2015. The total income of the business 1,848.84 million baht<sup>1</sup> net profit 166.26 million baht. The summary profit from each company are as below :

1.	Thai Sugar Terminal Public Co., Ltd.	good loading and wharf service business	amount	230.363	million baht or	12.46	of gross income
2.	T. S. Warehouse Co., Ltd.	warehouse business service	amount	122.805	million baht or	6.64	of gross income
3.	T. S. Flourmill Public Co., Ltd.	wheat flour factory business	amount	1,286.782	million baht or	69.60	of gross income
4.	T. S. G. Asset Co., Ltd.	real estate rental business	amount	17.676	million baht or	0.96	of gross income
5.	T. S. Transportation and Logistics Co., Ltd	sack weave factory, product transportation and security service business	amount	82.192	million baht or	4.45	of gross income
6.	T. S. Oil Industry Co., Ltd.	palm oil distilled factory business	amount	<u>109.022</u>	million baht or	<u>5.90</u>	of gross income
		Total income		<u>1,848.840</u>		<u>100.00</u>	of gross income

Note: 1. Total revenue from business transactions is not broke

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.

### **3. Risk Factors**

The company services on warehouse rent, Including more cargo fleet, product loading and port and 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 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 rent 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, and T S Transport and logistics Company Limited rent to improve the production of sacks ,plastic packaging. Make the services available to reduce the sugar a chance to do luggage and cargo businesses. Thus, in 2015 the Company has undertaken the construction of large warehouses increased by 1 after its capacity has increased by approximately 2,660 tons of compensation for the warehouse space with an update to its subsidiaries to hire business. Moreover, the TS Warehouse Co., Ltd. (a subsidiary ) has undertaken the construction of two warehouses with the total area of 9,386 tons, to provide warehousing and packed in sacks and bulk volumes.

#### **2 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 deposit and deliver to the client ensure safety of the company's products that are suitable for making the products for consumption, coordinating, monitoring, and controlling transportation which sampling error for quality is inspected both in and out in order to be accepted by customers who are the product owners, and buyers.

### 3 Liquidity management

The company is managing the liquidity risks effectively. To ensure that companies are able to supply a sufficient income to support the various obligations when due at a reasonable cost. Which is under the responsibility of the Board of Directors determines the liquidity management strategies, including to consider the supply of funding sources, both short term and long term, to provide funding to support the company and its subsidiaries.

### 4 Operational risk

The operational risk is the risk that may arise from errors or insufficient pressure of work processes. Employees work and/or information technology systems as well as external factors, which cause damage to the company, both direct and indirect, with the establishment of the operational risk management work (Operational Risk), the Sub-Committee to the Executive check box in accordance with the guidelines defined in connection with monitoring the progress of risk management. The most important operations closely and reporting through the Audit Committee, meetings between those involved. Which consists of the complete risk management, which consists of the head of the Agency, internal auditor and the Audit Committee, which results in a process of risk management and internal audit processes of the company effectively.

### 5 Risks in the business of oil palm

TS Oil Industry Company Limited ( " a Subsidiary ") operates a palm oil refinery, but found that in late 2012 to early 2013 the company was affected by higher raw material costs and price. CPO prices have fallen steadily due to palm around the country have a record company subsidiaries suffered losses. The cost of crude palm oil stocks are priced much higher than the market price. Therefore, to reduce the risk to the Board of Directors approved the Company's OPG-Tech Co., Ltd. to lease the plant and equipment at all about the business of palm oil refinery plant for a period of three years from May 2013 to May 2016.

#### 4. Property used in the business

##### 4.1 Freight services and services for rent warehouse wharf

In the year of production 2014/2015 sugar cane into the chest through a number of 105.959 million tons, an increase of the production year 2013/2014 of 2.359 million tons. The yield of sugars, including 10.213 million tons of white sugar, divided into 1.608 million tons, 3.997 million tons of raw sugar is also a by-product of the sugar in the amount of 4.608 million tons. The 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
10 – 12	1,650	4,950
13	2,063	2,063
14	4,500	4,500
15	2,194	2,194
16	2,082	2,082
17	1,969	1,969
18	1,857	1,857
19 - 20	1,688	3,376
21 - 22	1,575	3,150
23	2,250	2,250
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
40	2,800	2,800
41	1,260	1,260
42	2,660	2,660
44	7,713	7,713
<b>Total : 43 warehouses</b>	<b>Total space</b>	<b>88,265 square meters</b>

- NOTE :**
- Warehouse No.10 – 13 (4 units) has been rent out to T. S. Flourmill Co., Ltd. (subsidiaries) for wheat flour factory.
  - Warehouse No.14 has been rent out to T. S. Transport and Logistics Co., Ltd. (subsidiaries) rent and install equipment to use operating business manufacturing plastic packaging bags.
  - Warehouse No.17 – No.22 (6 units) has been rent out to T. S. Oil Industry Co., Ltd ( subsidiary) for operating business palm oil distilled and fill-up factory building.
  - Warehouse after a 1-7 under renovation, so the company's transportation and logistics Limited (subsidiary) land lease to operate the container port

**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 The Board of Directors has resolved to cancel the deposit business molasses which is the management's opinion current was contacted by customers for deposits with little molasses to be an area for improvement. The port's container subsidiary. The cancellation of services The idea to improve the storage tanks molasses of the two storage tanks for crude oil and 4 tanks of liquid storage with total capacity 40,000 ton to T S Oil Industry rent crude palm oil in the store room.

**C. Port ;** 3 Wharfs (No.16A, 16B, 16C), total length is 357 meters, space 5,655 square meters ( can serve 2 ocean liner with 12,000 ton each at the same time) for port number 16C is undergoing renovations. The TS Transport and Logistics Co., Ltd. (a subsidiary) for the port to operate the container port.

**D. Barge (pontoon boat) ;** total 3 ships, capacity 3,700 tons, The service transports sugar and other to transport goods from Samutprakan to the fleet berths in deep water Gulf of Thailand and Koh Si Chang.

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

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

**G. Truck parking ;** Area of 9,000 square meters parking for truck 100 cars.

#### **Type and Quantity of Goods**

Unit : metric ton

Goods	2015	Percentage	2014	Percentage
Raw Sugar	302,953.250	34.75	432,151.460	44.19
White Sugar	338,358.450	38.81	456,082.700	46.63
Molasses	-	-	6,003.600	0.61
Wheat	87,559.647	10.04	-	-
Cho	-	-	-	-
Timber	-	-	16,543.007	1.69
Oil palm	93,458.350	10.72	-	-
Refined palm oil	109.660	0.01	-	-
Acid palm oi	36,534.910	4.19	67,221.246	6.87
Flour	3,454.880	0.40	-	-
Steel	3,562.998	0.42	-	-
Palm wax	5,792.920	0.66	-	-
<b>รวม</b>	<b>871,785.065</b>	<b>100.00</b>	<b>978,002.013</b>	<b>100.00</b>

### **Target Customer**

The Company is the primary customer is the sugar factory, which is a member of the Executive Committee and the shareholders of the company. Other lead parts are the sugar factories, which is independent of traders, suitable factory cargo come such factories in the North, North-East, Central. The company's exports as the station, the property is close to the province of Samut prekan, located near deep sea Pier in Laem Chabang, SI Racha, Chonburi province, and Ko sichang.

For sugar factory in middle part, Rachaburi, Kanchanaburi, will came 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.

### **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 and under supervision of Office of the cane and Sugar Board. I try to keep the cost of services while maintaining the quality of services and seek improved services 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**

The current warehouse is likely to grow even more due in part to the government's policy to encourage entrepreneurs accelerate business development in both agriculture and industry to export more expected growth rates, future business will be moved up in order to make the export support will make greater demands on the spool and loading stations will be increased accordingly currently, the freight transport is still a major cause of water services business, loading docks and grow accordingly

Trends in the supply of marine products to be large in order to be able to get more in each trip to save time and money as well. However, although the number of vessels which entered products to current and future fleet size is not all. However, the need to transport large quantities of medium and small size, it also has a high rate as well. In 2012, the Company purchased a barge of 3,700 ton capacity 3 ships to transport goods from the warehouse to the Fleet at Ko Si Chang and / or the Gulf of Thailand to the Company can increase the amount of product that is used a lot at the same time 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 Samutprakan 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. Mitr Phol Warehouse Co., Ltd.
3. Thai Ruam Thun Warehouse Co., Ltd.

Ang Thong ( located on Chao Praya River bank)

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

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

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

In moving up the fleet stayed in a warehouse that stores the sugar Angtong will be transported by barge to come to Samutprakan due to the depth of the raceway is not available to the fleet to pass through a large fleet of more than 20,000 tons compared to the deep water port at the warehouse receipt Chonburi.

**License, patent, and condition**

1. Wharf License (16A, 16B) from Ministry of Transport and Communications registered no. 20/2015 and 21/2015 which is valid for 1 year from 30 March 2015 – 29 March 2016, 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. Ocean Wharf License from the Office of Marine Transport, Ministry of Transport and Communications ; registered no. 28/2015 which is valid for 5 years from 18 October 2015 - 17 October 2020 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.

3. License as a health hazard. From the Municipality Poochaosamingprai. Registration number 672/2015 at age 1 year from the date of 12 July 2015 – 11 July 2016 warehouse space exceeds 1,000 square meters.

#### BOI

- None –

#### Undelivered Task

- None -

#### **The nature of business of the subsidiaries**

**T S Warehouse Co., Ltd. (TSW)** Company Registered No. 0105530047784

**Nature of Business: Warehousing and Storage**

Registered in 1987 with 50 million baht authorized capital : there are 500,000 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 62.60 percent of authorized capital.

The committee hold 22.15 percent 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.

TS Warehouse Co., Ltd. operates a warehouse with a warehouse area of 8,767 square meters, the first bulk can get sugar and 65,000 tons in 2015 to build two warehouses of the Warehouse No. 43 include 2,613 square meters of space and warehouse area of 6,773 square meters to number 45 deposits of white sugar per 50 kg sack and warehouse from Thai Sugar Terminal Public Company Limited. The transactions include the rental warehouse, land lease and the unloading charges which charge a fair price and is charged to customers.

T S Warehouse Co., Ltd posses 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 percent of paid-up capital and company reserved fund; and invested (less than 15 percent of paid-up capital and company reserved fund) in other company stock by the committee approval. However, total investment must not be over 30 percent 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 2013 – 31 December 2017. 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 2013 – 31 December 2017. 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 737/2015 from the date of August 24, 2015 until August 23, 2016 warehouse space exceeds 1,000 square meters.

BOI

- None –

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

**Nature of Business : Flour mill**

The company was registered in 1977, previous name is Thai Sugar WarehouseC., Ltd., with 10 million baht authorized capital : there are 100,000 common stock at par value 100 baht. There was 4,560 square meters warehouse for 40,000 ton of pile goods. Warehouse and sold them to the Thai Sugar Terminal 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 percent 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 Market for Alternative Investment (MAI), Thai Sugar Terminal Public Co., Ltd. currently holds 69.345 percent.

From June 2007 to the present TS Flour Mill Public Company Limited produces and sells wheat to wheat flour , order by wheat, which is the raw material from abroad. To be milled into flour with a high protein and low in protein wheat flour produced by each type will be used as raw material to produce different. If a high protein wheat flour is ideal for producing instant noodles, noodles, fresh bread and animal feed. While the low-protein flour is suitable for the production of biscuits, cakes, buns yourself or flour.

**Type of products sold**

1. Wheat flour for bread making with high protein content of 13-14 percent and a higher amount of gluten bread made with good quality.
2. Wheat flour for baking low protein 7-9 percent made buns, cakes, cookies, cotton candy, wheat Eclair mochi, Jam Roll Cake
3. Flour for making noodles, Chinese and Japanese
4. All-purpose flour has a protein content of about 10-11 percent is used to bake the medium such as noodles inseparable, Cake, cookies, donuts, cakes, candy, meat, eggs, waffles, pancakes, buns and dessert dessert trolley fried variety.
5. Wheat flour for animal food such as shrimp, fish, etc.
6. Flour, animal feed, such as fish feed, dog food, which has a protein content of 13 percent
7. Others, such as wheat flour for making buns. The low protein wheat at 7-9 percent for yourself. The protein content in the range of 7-9 bread wheat wheat contains up to 50 percent enriched with fiber, vitamins and minerals

Distribution channels

The company is divided into three distribution channels.

- 1) distribution to large industrial plants.
- 2) supplier to major wholesalers or Ext.
- 3) distribution to the small wheat

There are various licenses.

1. Factory License from Department of Industrial Works, Ministry of Industry : registered no. 3-9(2)-4/50 SorPor which is valid for 5 years from 31 December 2011 – 31 December 2016 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 3 years from 1 January 2016 - 31 December 2018 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 26 December 2013 -31 December 2016 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. 58055410 This license is valid until 3 August 2016 to ensure that a user is allowed to have a lethal liquid chlorine Arms Control Act 1987.

5. Halal Mark Permission Certificate from Islamic Chairman Office, Samudprakan (HALAL) : The central Islamic Council of Thailand registered no. KorAorTor, HorLor, B131/2008 which is valid for 1 year from 5 June 2015 – 4 June 2016 for guarantee the products of T S Flourmill Public Co., Ltd., manufacturing process was carried out correctly in accordance with Shariah principles.

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 2014 – 24 June 2017 with quality check in every 6 months. This will guarantee the quality of T S Flourmill Public 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 2014– 16 July 2017 with quality check in every 6 months. This will guarantee the Food Safety Management System of T S Flourmill Public Co., Ltd.

8. Health Hazard Business License From the Municipality Poochao samingprai : Registration number at age 1 year 628/2015 from 28 June 2015 - 27 June 2016 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.114/2012 which is valid for 5 years from 16 March 2012 to 15 March 2017 for the company's transportation (bulk truck).

10. THS24000 : Certificate from Thailand Halal Standard from Halal Development and Product Testing Center : Development and validation of a Halal product of Thailand. To ensure that TS Flour Mill Public Company Limited was conducted according to the principles of Islam correctly.

#### BOI

- None -

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

Nature of Business : Palm oil refining

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 percent share, To businesses, and property development. The property is a bulk warehouse space for rent 2,880 square meters to 30,000 tons bulk packaging. In 2009, with registered capital of 170 million baht with a total registered capital of 200 million baht and renamed TS Oil Industry Co., Ltd by Thai Sugar Terminal Public Co., Ltd. hold 94.31 percent share to do the palm oil distillation for consumption. It is expected to start its operation in 2<sup>nd</sup> quarter of year 2009 and In May 2012 the registered share capital of Baht 400 million baht today to 600 million baht by has the Thai Sugar Terminal Public Co., Ltd. holds 97.48 percent.

TS Oil Industrial Co., Ltd. began producing oil and palm oil sales types. Under "RACHA" 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 / Day	RBD Palm Oil : RPO Acid and palm stearin (PFAD) derivative.
Separate eggs	RBD Palm Oil : RPO	300 Ton / Day	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 size with 18 liters and 13.75 liters.
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).

There are various licenses.

1. Control Business License 3<sup>rd</sup> type ; Department of Energy Energy of Smutprakan; registered no SorPor 057/2015 which is valid for 1 year from 31 January 2015 – 12 January 2016 to perform a fuel storage facility (fuel A).

2. License for personal transportation with goods or items transporting vehicle from Department of Land Transport : registration number SorPor.Bor. 139/2015 which is valid for 5 years from 26 March 2015 to 28 March 2020 for the company's transportation bulk truck.

**Notes** The end of the year to year 2012 - 2013, the company are affected by the cost of raw materials prices, including crude palm oil prices are falling continuously caused by output palm throughout the country there are a lot of unprecedented, T S Oil Industry co., Ltd. (subsidiary) experiencing a loss due to the cost price of crude palm oil in stock market prices are much higher than the price with a business into a subsidiary plant was recently palm oil still lacks personnel with experience in all aspects of procurement and raw materials and marketing. The Board therefore approved the company's lease contracts to OPG Tech Co., Ltd., factory with machinery equipment all about palm oil for a period of 3 years from the month of May to the month of May by 2013 to 2015.

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

**Nature of Business : Real estate, rent and living room**

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 percent 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 6,000 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; In 2015, 94.07 percent 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 97.22 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 2012 - 31 December 2017 as there is the sugar transportation system connect to the company warehouse.

2. Operator License ; registered no. 040651000100 and 0406510000999 from National Broadcasting and Telecommunication Commission 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 634/2015 from 21 June 2015 - 20 June 2016 for operate the 262 room hotel.

4. Health Hazard Business License (TSGA 2) From the Municipality Poochao samingprai registration number at age 1 year 19/2015 from 8 October 2015 - 7 October 2016 for the apartment of 45 rooms business.

BOI

- None -

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

**Nature of Business : Contractor factory woven sacks and Security**

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 percent 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 percent 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. In March 2015 the Extraordinary General Meeting of Shareholders No. 1/2015 of TS Transport and Logistics Co., Ltd. (the "Subsidiary") has approved capital increase from the original number of 80 million baht (Eighty Million Baht) to Baht 400,000,000 (Four Hundred Million Baht) divided into ordinary shares 4,000,000 shares (four million) by issuing new ordinary shares of 3.2 million shares (three million two hundred thousand shares) par value of 100 Baht (one hundred Baht) shares by offering to existing shareholders in proportion to the share price of 100 baht (one hundred baht) and in the case of existing shareholders, any waiver of the subscription of new ordinary shares to the transfer of rights to subscribe for new shares with the rest of the committee and approved by the Board of Directors paid. the shares of the shareholders consent and the Extraordinary General Meeting of Shareholders No. 1/2015 resolved to further the objectives of the original Article 16 has increased to 17 with the following message.

17. "service port for unloading cargo and containers international as well as the care and storage of containers."

The Board of Directors has approved the paid up share capital increase, the first in the par value of 25 baht from par 100 baht by the shareholders, please request to subscribe for new shares on or before July 7. 2015 and payment date of July 14, 2015. That shareholders buy shares Number 14 Number 3,196,508 shares totaling 79,912,700 baht and shareholders wishing to purchase shares of 8 No amount 3,492 shares, the Board of Directors resolved to sell shares to rest. **Mr. Pricha Attavipach** Chairman, this rest assured intuition to Thai Sugar Terminal Public Company Limited and its subsidiaries. The Company has paid-up share capital as follows:

Paid-up share capital at 50 baht per share, in the second of 1,600,000 shares totaling 160 million. THB payment on or before October 20, 2015.

Paid-up share capital at 25 baht per share, in the third of 3.2 million shares, amounting to 80 million baht paid on or before December 15, 2015

When a company has paid its share capital at a price of 100 baht per share was fully subscribed. The Company Secretary has registered the capital increase and the memorandum in order to comply with the capital increase with the Department of Business Development Ministry of Commerce, which was completed on December 16, 2015, with details of the share capital of the company took place as follows:

Registered capital of	400,000,000 Baht (four hundred million baht).
Paid up capital is	400,000,000 Baht (four hundred million baht)

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 1 January 2013 – 31 December 2017 for plastic sack production.

2. Health Hazard Business License From the Municipality Poochao samingprai registration number 673/2015 at age 1 year from 12 July 2015 - 11 July 2016 for the woven bag machines.

3. License berths 16 C at the Department of Transport and Maritime, Ministry of Transport No. 17/2015 last one year from the date of November 4, 2015 until November 3, 2016 to allow larger ships to dock loading and unloading goods and domestic and international containers are equipped with cargo port station installations and equipment equipment, You must take action to prevent the pollution of the environment as well as the preparation of monthly statistics on vessels using the port type and quantity of goods through the port. Installation of the equipment and facilities available

4. license seaport at the Department of Transport and Maritime, Ministry of Transport No. 2/2016, 3 years from 1 December 2015 until 30 November 2018, For business Seaport by cargo port station installations and equipment equipment The action by the defense not to pollute the environment as well as the preparation of monthly statistics on vessels using the port. The type and quantity of goods through the port The annual report shows the current condition of the harbor on its installations, equipment and accommodation facilities are. As well as the establishment of the customs quay and support. The cargo under international safety standards and ISPS Marine Department.

5. BOI Board of Investment Ministry of Finance Registration number 58-2293-1-00-1-0 Approved by the Board of Investment on August 31, 2015 has shown that a person who has been sent by post. Privileges for loading cargo types 7.1.4 Operation for loading cargo. And corporate income tax exemption under Section 31 paragraph one worth no more than 198 million baht

#### BOI

- None -

#### **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 154 rai 3 ngan 50 square wah there are 3 ports , 43 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 2015

<u>Company</u>	<u>Business</u>	<u>Authorize d Capital (million baht)</u>	<u>Paid-up capital (million baht)</u>	<u>Share (%)</u>	<u>Cost of Capital</u>	<u>Capital Value</u>	<u>Other Shareholder with more than 10% of of stock</u>
TS Warehouse Co., Ltd.	Warehouse & goods storage	50	12.50	64.13	10.073 million baht	125.206 million baht	Mitr Kaset Industry Co., Ltd. <sup>1</sup>
T S Flourmill Co., Ltd.	Wheat flour factory and property rental	399	285	69.35	316.375 million baht	617.650 million baht	-
T S G Asset Co., Ltd.	Property rental and service apartment	50	50	79.78	40.611 million baht	88.429 million baht	-
T S Transport and Logistics Co., Ltd.	Plastic sack package, goods transportation ,and security service	400	400	85.90	343.589 million baht	336.344 million baht	Khon Khen Sugar Co., Ltd. <sup>2</sup>
T S Oil Industry Co., Ltd.	Palm oil distillation	600	500	97.71	488.544 million baht	347.236 million baht	-

### Subsidiary's Shareholder more than 10 percent 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 Jenlapwattanakul 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 9<sup>th</sup> 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 Kaen 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.



#### 4.2 Properties Used in the Business Operations

No.	Asset (Type / Location)	Area	Type of Ownership	Book Value	Contingent Liability
1	<b>Land and Improvements of the Company and its subsidiaries consist of :</b>  Land of Thai Sugar Terminal Public Company Limited, Poo Jao Saming Prai road, Sam Rong Klang, Phra Pra Daeng, Samut Prakarn	124-0-98 (Rai – Ngan – Square Wah)	Owner	688,123,434.16	Guarantee the credit received from financial institutions. <sup>1/</sup>
		13-1-63	Owner	70,962,791.00	Guarantee the credit received from financial institutions. <sup>1/</sup>
		0-0-25	Owner	1,300,000.00	-
		2-0-48	Owner	19,080,000.00	-
		1-3-75	Owner	22,000,000.00	-
		2-0-73	Owner	12,670,500.00	-
		8,676 (Square Meters)	Owner	19,230,000.00	Guarantee the credit received from financial institutions. <sup>2/</sup>
	<b>Total</b>			<b>833,366,725.16</b>	
2	<b>Building, Construction, and Renovation, namely, commercial building for rent, apartment for rent, port and others</b>  Thai Sugar Terminal Public Company Limited		Owner	247,497,585.07	Guarantee the credit received from financial institutions. <sup>1/</sup>
	T S Warehouse Company Limited		Owner	75,440,550.92	No obligations
	T S G Asset Company Limited		Owner	49,935,576.26	Guarantee the credit received from financial institutions. <sup>2/</sup>
	T S Oil Industry Company Limited		Owner	113,649,984.06	Guarantee the credit received from financial institutions. <sup>4/</sup>
	T S Flour Mill Public Company Limited		Owner	200,255,236.82	No obligations
	T S Transport and Logistics Company Limited		Owner	8,627,217.81	Guarantee the credit received from financial institutions. <sup>3/</sup>



	<b>Total</b>			<b>695,406,150.94</b>	
<b>3</b>	<b>Machinery, Tools and Equipment</b>				
	Thai Sugar Terminal Public Company Limited		Owner	4,698,382.68	No obligations
	T S Warehouse Company Limited		Owner	5,302,653.93	No obligations
	T S G Asset Company Limited		Owner	253,684.72	No obligations
	T S Oil Industry Company Limited		Owner	282,618,450.94	Guarantee the credit received from financial institutions. <sup>4/</sup>
	T S Flour Mill Public Company Limited		Owner	565,418,742.83	No obligations
	T S Transport and Logistics Company Limited		Owner	345,917,995.21	Guarantee the credit received from financial institutions. <sup>3/</sup>
	<b>Total</b>			<b>1,204,209,910.30</b>	
<b>4</b>	<b>Furniture and Office Equipment</b>				
	Thai Sugar Terminal Public Company Limited		Owner	521,879.66	-
	T S Warehouse Company Limited		Owner	1,550.00	
	T S G Asset Company Limited		Owner	8,377.94	-
	T S Oil industry Company Limited		Owner	2,061,808.40	-
	T S Flour Mill Public Company Limited		Owner	4,763,421.63	-
	T S Transport and Logistics Company Limited		Owner	510,273.59	-
					-
	<b>Total</b>			<b>7,867,311.22</b>	
<b>5</b>	<b>Automobiles</b>				
	Thai Sugar Terminal Public Company Limited		Owner	15,157,120.46	-
	T S Warehouse Company Limited		Owner	1,972,525.96	
	T S Flour Mill Public Company Limited		Owner	10,042,129.34	-
	T S Transport and Logistics Company Limited		Owner	1.00	-
	T S Oil industry Company Limited		Owner	1,058,333.34	-
	T S G Asset Company Limited		Owner	1.00	
	<b>Total</b>			<b>28,230,111.10</b>	
	<b>Total</b>			<b>2,769,280,208.72</b>	

#### Remarks:

<sup>1/</sup> 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 and Land Act No. 806, 22186, 22188, 22189, 46218, 112862, 178109, 178487, 249104, 249148 secured credit facilities from financial institutions of Baht 50 million.

<sup>2/</sup> Land, Title Deed No. 236400, 236401, 236402 with apartment for rent of TSG Asset Company Limited for guarantee of the credit received from financial institutions of 40 Million Baht

<sup>3/</sup> 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



### **5. Legal Dispute**

In 2015, 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. General information and other important information****6.1 Basis Data**

<b>Name</b>	Thai Sugar Terminal Public Company Limited
<b>Initials</b>	TSTE (Stock Exchange of Thailand)
<b>ACN.</b>	0107537001692
<b>Business Type</b>	Freight services to the fleet, rent a warehouse and wharf
<b>Website</b>	<a href="http://www.tstegroup.com">www.tstegroup.com</a>
<b>Year of Establishment</b>	1976
<b>The first day of trading</b>	13 July 1990
<b>Stock Exchange of Thailand</b>	
<b>Office and warehouse</b>	90 Moo 1, Poochaosamingphrai Rd., Samrongklang, Phrapradaeng, Samutprakarn

**6.2 Other Important Information**

<b>Capital</b>	145,199,967 บาท (one hundred forty-five million, one hundred ninety nine thousand nine hundred and sixty-seven baht)
<b>Paid</b>	145,199,929 บาท ( one hundred forty-five million, one hundred ninety nine thousand nine hundred twenty-nine baht) Consisting of 290,399,858 ordinary shares
<b>Par value</b>	ordinary shares at 0.5 Baht (The Extraordinary General Meeting of Shareholders of the Company held on 24 September 2015, unanimously approved the change in the number and value of shares. Issued at par (Par Value) of the Company from the existing par value of Baht 1.00 per share of 145,199,967 shares at par value of 0.50 baht for 290,399,934 shares issued and paid up from the original number of 145,199,929 shares. the number of shares is 290,399,858
<b>Preference share</b>	- None - Shares
<b>Period</b>	1 January - 31 December
<b>Headquarters</b>	
<b>Location</b>	90 Moo 1, Poochaosamingphrai Rd., Samrongklang, Phrapradaeng, Samutprakarn
<b>Phone</b>	0-2183-4567 (10 Automatic)
<b>Fax</b>	0-2183-4561 and 0-2183-4562
<b>E-mail</b>	<a href="mailto:Thaisugarterminal@gmail.com">Thaisugarterminal@gmail.com</a>
<b>Website</b>	<a href="http://www.tstegroup.com">www.tstegroup.com</a>

**Office of the Corporate Secretary**

**Telephone** 0-2183-4567 etc. 1031  
**Fax** 0-2183-4561 and 0-2722-5079  
**E-mail** [siriporn@tstgroup.com](mailto:siriporn@tstgroup.com)

**6.3 References**

**Share registrar** **Thailand Securities Depository Co.,Ltd..**  
**Location** No.93, Ratchadapisek Road, Dindang , Bangkok 10400  
**Telephone** 0 2009-9000  
**Fax** 0 2009-9991  
**TSD Call center** 0 2009-9999  
**Website** <http://www.set.or.th/tsd>  
**E-mail** [SETContactCenter@set.or.th](mailto:SETContactCenter@set.or.th)

**Auditor** **Sam Nak Ngan A.M.C. Co., Ltd. By**  
Mr.Aumpol jumnongwat Certified Public Accountant No. 4663 and / or  
Ms. Prapasri Leelasupha, Certified Public Accountant No. 4664 and / or  
Mr.Narit Saovalaksakul CPA. No.5369  
**Address** 191 Silom Complex, Class 19, Unit 4  
Silom Road, Silom,Bangrak ,Bangkok. 10500  
**Telephone** 0-2231-3980-7  
**Fax** 0-2231-3988  
**E-mail** [amc@amc-mri.com](mailto:amc@amc-mri.com)

**Internal auditor** **Dharmniti Auditing Co.,Ltd By**  
Miss Korakot Wanasawat  
**Address** 267/1, Pracharat Road 1, Bangsua, Bangkok 10800  
**Telephone** 0-2587-8080  
**Fax** 0-2585-2018  
**E-mail** [internalaudit@dharmniti.co.th](mailto:internalaudit@dharmniti.co.th)  
**Website** <http://www.dharmniti.co.th>

**7. Securities and Shareholder Information****7.1 The amount of capital and paid-up capital****Registered Capital**

Consists of common shares of 290,399,934 shares with the value of 0.5 Baht per share and the total amount of 145,199,967 Baht.

Note \* that the Extraordinary General Meeting of Shareholders No. 1/2015 held on September 24, 2015, unanimously approved the change in the number and value of shares at par (Par Value) of the original par value of 1.00 per share. THB 145,199,967 number of shares at par value of 0.50 baht of 290,399,934 shares

**Paid up Capital**

Consists of common shares of 290,399,858 shares with the value of 0.5 Baht per share and the total amount of 145,199,929 Baht. \*

Note \* The Annual General Meeting of Shareholders Year 2014 No. 1/2015 held on April 23, 2015, the shareholders approved a cash dividend of 0.50 baht per share, or a total amount of baht 72.59 million in dividends will be taxed at source at the rate specified by law.

**7.2 The major shareholders as of December 31, 2015**

No.	Name of Shareholders	2015		Name of Shareholders	2014	
		Number of Shares	%		Number of Shares	%
1	Khon Kaen Sugar Industry Pcl.,Ltd.	69,167,472	23.82	Khon Kaen Sugar Industry Pcl.,Ltd.	34,583,736	23.82
2	Mr.Chanachai Chutimavoraphand	48,347,360	16.65	Mr.Chanachai Chutimavoraphand	24,173,680	16.65
3	Prachuab Industry Co., Ltd.	28,218,168	9.72	Prachuab Industry Co., Ltd.	14,109,084	9.72
4	Mrs. Yaowanuch Dejvitak	23,712,040	8.17	Miss Yaowanuch Chutimavoraphand	11,881,540	8.18
5	Miss Yaowaluk Chutimavoraphand	20,611,118	7.10	Miss Yaowaluck Chutimavoraphand	10,305,559	7.10
6	Ratchaburi Sugar Co.Ltd.	13,764,960	4.74	Ratchaburi Sugar Co.Ltd.	6,882,480	4.74
7	Mitr kasetr Co., Ltd.	12,141,796	4.18	Mitr kasetr Co., Ltd.	6,070,898	4.18
8	Mr. Prapas Chutimavoraphand	11,928,664	4.11	Mrs. Boonprom Chinbhilas	4,977,732	3.43
9	Mrs. Boonprom Chinbhilas	7,171,120	2.47	Mr. Prapas Chutimavoraphand	3,585,560	2.47
10	Mrs. Patcharee Chinthammit	3,013,994	1.04	Mrs. Patcharee Chinthammit	1,506,997	1.04
11	Other shareholders	52,323,166	18.02	Other shareholders	27,122,663	18.67
	<b>Total number of shares</b>	<b>290,399,934</b>	<b>100.00</b>	<b>Total number of shares</b>	<b>145,199,929</b>	<b>100.00</b>



- Major shareholders whose behavior can influence policy management or operations of the company significantly.
  - None –
- Agreement among the major shareholders. (Shareholding Agreement)
  - None –
- On November 1, 2015, Khon Kaen Sugar Industry Pcl.,Ltd. has adopted Financial Reporting Standard No. 10 of the consolidated financial statements, management's assessment of the KSL. Control of the Company and were not involved in the control of the company so that KSL is a subsidiary company. The status change is a joint.

### **7.3 Other securities issued**

- None –

### **7.4 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 percent 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.

Dividends shall be divided equally by the number of shares by the dividend must be approved by the general meeting of shareholders, the Board may pay interim dividend to its shareholders from time to time. If the company has enough profits to do so, and report to the meeting of shareholders in the next meeting.

#### **History of Dividend Payment**

<b>Thai Sugar Terminal Public Company Limited</b>					
<b>Date of Dividend Payment</b>	<b>Annual Performance</b>	<b>Net Profit (Baht)</b>	<b>Earnings per Share (Baht)</b>	<b>Dividend Payment Rate (Bath/Share)</b>	<b>Amount (million Baht)</b>
2012	2011	68,742,237	0.52	0.24	46.15
2013	2012	192,581,706	1.33	0.34	23.30
2014	2013	97,867,872	0.67	0.24	35.61
2015	2014	117,781,424	0.81	0.50	61.63



**Notes** The Annual General Meeting of Shareholders Year 2014 No. 1/2015, On April 23, 2015, the shareholders approved a cash dividend of 0.50 baht per share, or a total amount of 72.59 million baht will be dividend withholding tax at the rate specified by law.

#### **Dividend Payment Policy of Subsidiaries**

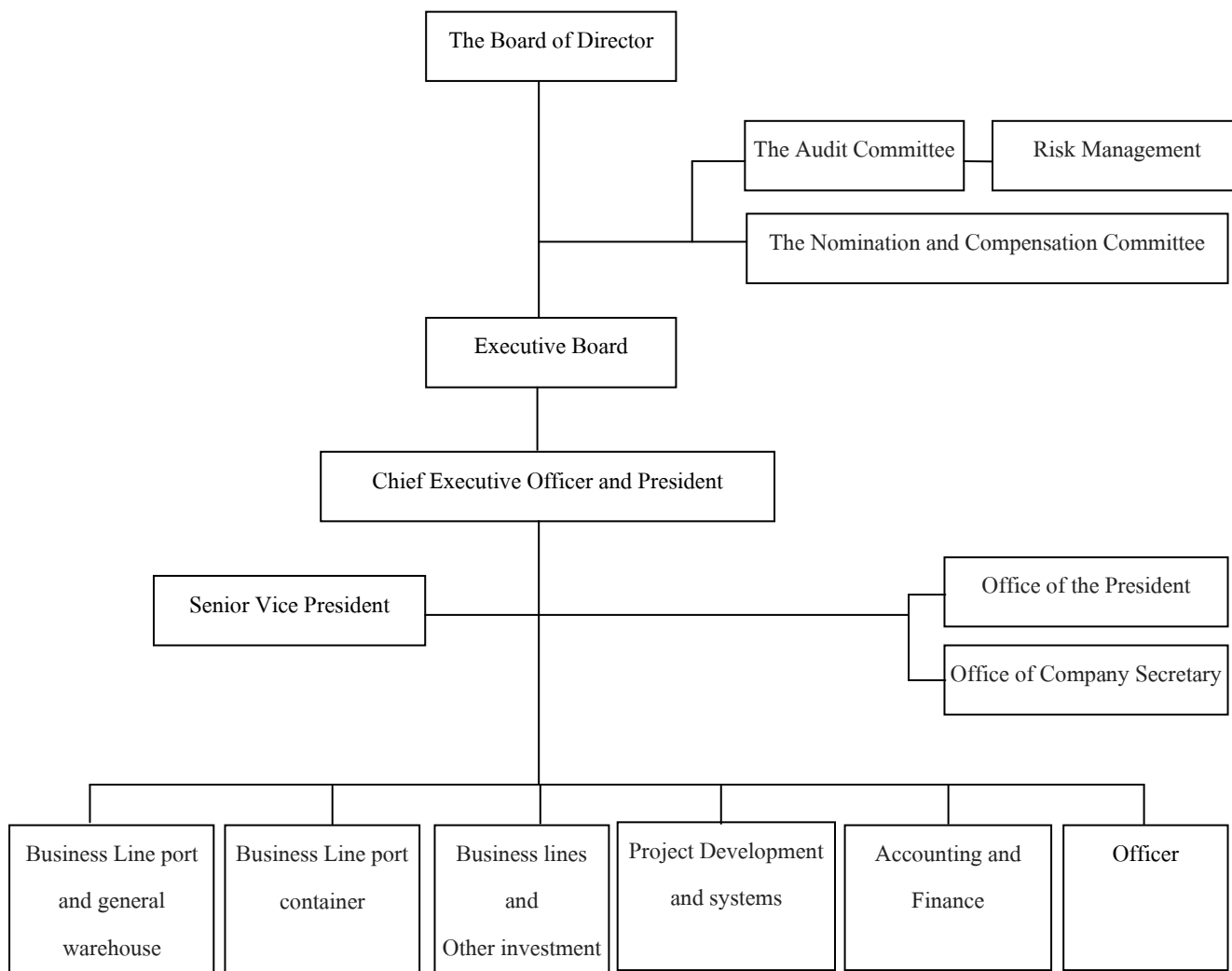
For the dividend payment of subsidiaries, each subsidiary has to consider the dividend payment when such company (subsidiary) has moderate profit and does not pay the dividend in case of losses. In additions, the dividend payment is considered from the remaining cash flow compared with the investment 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 percent of the profit until the amount of such reserve is at least 10 percent of the company's registered capital



## 8. Management Structure

### 8.1 Management Structure



#### 8.1.1 ) Board of Directors

Thai Sugar Terminal Public Company Limited by Affidavit dated January 14 ,2016 consist of 15 members as follows.-

No.	Name of Board of Directors	Position	Period
1	Mr. Pricha Attavipach	Chairman and Independent Director	April 2014 – April 2017
2	Mr.Prapas Chutimavoraphand*	Managing Director and Chairman of Executive Board	April 2015 – April 2018
3	Mr.Pong Chinthammit*	Deputy Managing Director and Vice Chairman of Executive Board	April 2013 – April 2016
4	Mr.Chanachai Chutimavoraphand*	Executive Director and Vice Chairman of Executive Board	April 2015 – April 2018
5	Mr.Narong Chenlarpwanakul*	Executive Director	April 2015 – April 2018
6	Mr.Chadej Insawang	Chairman of Audit Committee and Independent Director	April 2013 – April 2016
7	Mr.Suang Ruangsook	Member of Audit Committee and Independent Director	April 2013 – April 2016

No.	Name of Board of Directors	Position	Period
8	Mr.Nisakorn Parkpean	Member of Audit Committee and Independent Director	April 2013 – April 2016
9	Miss Jutatip Arunanondchai	Independent Director	April 2014 – April 2017
10	Mr. Win Chinthammit*	Director	April 2014 – April 2017
11	Mr.Chalush Chinthammit	Director	April 2013 – April 2016
12	Mr.Somchai Chinthammit	Director	April 2014 – April 2017
13	Mr.Dhanadol Sujiphinyo	Director	April 2014 – April 2017
14	Dr. Suphsorn Chayovan	Director	April 2015 – April 2018
15	Dr. Charnkrij Dejvitak*	Executive Director	Resignation of a director with effect as of January 1,2016
16	Mrs. Yaovanuth Dejvitak	Executive Director	January 2016 – April 2018 (Appointed as Executive Director with effect as of January 1, 2016)

Note : 1. The Annual General Meeting shareholders Year 2015 No. 1/2015 on 23 April 2015 had the resolution to appoint the directors who are due to retirement to be re-selected for another term as follows :

1. Mr. Prapas Chutimavoraphand
2. Mr. Chanachai Chutimavoraphand
3. Mr. Narong Chenlarpwatanakul
4. Dr. Charnkrij Dejvitak
5. Dr. Suphsorn Chayovan

2.\* Means the authority to bind the company designated by the President is authorized to bind the company, two people co-sign and seal of the company.

3. Dr. Charnkrij Dejvitak has resigned from the position executive director and directors (Authorized signatory of the company) mission, due to several reasons. The effective date of January 1, 2016 onwards and the Board of Directors No. 12/2015 dated December 18, 2015 has appointed Mrs. Yaovanuth Dejvitak executive director and directors (Authorized signatory of the company) to replace the resigned director. The remaining term of the resigned director.

**Holding Securities of Directors as of 31 December 2015 compared with as of 2014**

No.	Name of Directors	Number of Shares (Shares)		Number of Shares Increased (Decreased) during the Year <sup>3</sup>	% of Shares Eligible to Vote
		31 December 2015	31 December 2014		
1	Mr. Pricha Attavipach*	11,880	5,940	5,940	0.004
2	Mr. Prapas Chutimavoraphand	14,156,582	6,597,491	7,559,091	4.87
3	Mr. Pong Chinthammit	-	-	-	-
4	Mr. Chanachai Chutimavoraphand	48,347,360	24,173,680	24,173,680	16.65
5	Mr. Narong Chenlarwatanakul	-	-	-	-
6	Mr. Chadej Insawang*	-	-	-	-
7	Mr. Suang Ruangsook*	772,464	386,232	386,232	0.27
8	Mr. Nisakorn Parkpean*	392,040	196,020	196,020	0.14
9	Mr. Win Chinthammit	2,142,282	1,071,141	1,071,141	0.74
10	Mr. Chalush Chinthammit	145,200	72,600	72,600	0.05
11	Mr. Somchai Chinthammit	474,078	237,039	237,039	0.16
12	Mr. Dhanadol Sujiphinyo	2,904,814	1,452,407	1,452,407	1.00
13	Miss Jutatip Arunanondchai *	116,160	58,080	58,080	0.04
14	Dr. Suphsorn Chayowan	-	-	-	-
15	Dr. Charnkrij Dejvitak (Resignation of a director with effect as of January 1, 2016)	-	-	-	-
16	Mrs. Yaovanuth Dejvitak (Has been appointed as Executive Director with effect as of January 1, 2016)	23,712,040	11,881,540	11,830,500	8.17

- Note**
- \* refers to independent committee
  - Shareholding of the Directors and their spouses

2.1	Mr. Prapas	Chutimavoraphand	Shares	11,928,664	Stock
	Mrs. Sumitra	Chutimavoraphand (Spouse)	Shares	2,227,918	Stock
2.2	Mr. Suang	Ruangsook	Shares	598,224	Stock
	Mrs. Prasertsri	Ruangsook (Spouse)	Shares	174,240	Stock

3. Shares rose partly due to changes in the number and value of shares at par (Par Value) of the original par value of Baht 1.00 per ordinary share with a par value of 0.50 baht.

#### **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.

The Company shall have the authority to sign on behalf of the company.

- |                 |                  |                   |                   |
|-----------------|------------------|-------------------|-------------------|
| 1. Mr.Prapas    | Chutimavoraphand | 4. Mr.Narong      | Chenlarpwatanakul |
| 2. Mr.Chanachai | Chutimavoraphand | 5. Mr.Win         | Chinthammit       |
| 3. Mr.Pong      | Chinthammit      | 6. Mrs. Yaovanuth | Dejvitak          |

By two directors of the six people to sign and seal the joint. The Board of Directors Meeting No. 12/2015 approved the appointment of Mrs. Yaovanuth Dejvitak Executive Director and Director (Authorized Director) to replace the resigned director. The remaining term of the resigned director.

#### **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 percent 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 percent 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 of 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 duto 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 and shareholders and shareholder representatives, including sugar. It does not define the term to be served consecutively as long as possible. However, the decision will take into account the efficacy and suitability of each director will hold office for the full term of the position further.

### **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 2015, the Board of Directors help 12 meetings with the following details of each director.

### **Directors' Meeting in 2015**

No.	Name of Directors	Position	number of times in meeting attendance/ number of total meetings
1	Mr. Pricha Attavipach	Chairman / Independent Director	12/12
2	Mr.Prapas Chutimavoraphand	Chief of Executive Director	12/12
3	Mr.Pong Chinthammit	Vice of Executive Director	12/12
4	Mr.Chanachai Chutimavoraphand	Vice of Executive Director	12/12
5	Mr.Narong Chenlarpwatanakul	Executive Director	12/12
6	Dr. Charnkrij Dejvitak	Executive Director	12/12
7	Mr.Chadej Insawang	Independent Director / Chairman of Audit Committee	12/12
8	Mr.Suang Ruangsook	Independent Director / Audit Committee	12/12
9	Mr.Nisakorn Parkpean	Independent Director / Audit Committee	12/12
10	Miss Jutatip Arunanondchai	Independent Director	11/12

No.	Name of Directors	Position	number of times in meeting attendance/ number of total meetings
11	Mr. Win Chinthammit	Director	9/12
12	Mr.Chalush Chinthammit	Director	9/12
13	Mr.Somchai Chinthammit	Director	11/12
14	Mr.Dhanadol Sujiphinyo	Director	10/12
15	Dr. Suphsorn Chayowan	Director	12/12

#### **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 personal. 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 percent 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.

#### **To assess the performance of the directors**

The company was given the task of evaluating directors so that each Committee Appraisal Committee because there is a particularly important role in defining policies and corporate governance Committee and the evaluation of their performance (Self-assessment) that assessment. The Board of Directors of the company have been analyzed and the conclusion in order to define the measures for improving the performance of the Board of Directors.

The company uses a self-assessment of the Board of Directors of the Stock Exchange of Thailand. The evaluation of Directors most agree, somewhat agree, somewhat based on the evaluation, or that the company has performed well in that regard. Include matters Divided into the following;

- 1) Structure and Properties Committee.
- 2) the role and responsibilities of the board.
- 3) Board of Directors
- 4) acts of directors.
- 5) The relationship with the management.
- 6) Self-development of directors and executive development

The Company uses to evaluate the adequacy of the internal control system according to the Commission. The Securities and Exchange Commission (SEC). The set is divided into the following categories  
Section 1 of the Company's internal control.

- A company that The Company is not evaluated by independent experts from outside the company.

Section 2 Risk Assessment.

Section 3 of operational control.

Section 4 information systems and data communications.

Section 5 Monitoring System

- For Section 2-5 of Directors that the Company's compliance assessment majority

#### **The roles and responsibilities of the Chairman of the**

1. The meeting of the Board of Directors, and oversees the delivery of notice of meeting, including documents, so that the Committee has received adequate and timely information.
2. The President of the Board of Directors
3. Strengthen the corporate governance standards of the company's Board of Directors.
4. The Chairman of the shareholders ' meeting, and is in accordance with the articles of Association of the company and according to the agenda .
5. Ensure that communication between directors and shareholders is going to effectively.

#### **Authority of Chief of Executive Director and Managing Director shall be as follows :-**

The Chief of Executive Director and 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 Chief of Executive Director and 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.

#### **8.1.2) Executive Directors**

Executive Directors as flow;

<b><u>No.</u></b>	<b><u>Name</u></b>	<b><u>Position</u></b>
1	Mr. Prapas Chutimavoraphand	Chief of Executive Director
2	Mr. Pong Chinthammit	Vice of Executive Director
3	Mr. Chanachai Chutimavoraphand	Vice of Executive Director
4	Mr. Narong Chenlarpwatanakul	Executive Director
5	Mrs. Yaovanuth Dejvitak*	Executive Director

Note : \* The Board of Directors Meeting No. 12/2015 dated December 18, 2015 has appointed Mrs. Yaovanuth Dejvitak Executive Director of Dr. Charnkrij Dejvitak, who resigned on January 1, 2016.

#### **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.

In 2015 Executive Board meetings 12 times a duty to report regularly. The report acts in recent years.

**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.

**The segregation of duties between the Board of Directors of the company with the management.**

The company has separate roles and responsibilities between the Board of Directors of the company with the management clearly by the Board of Directors acting in defining policies and oversees operation of the management in the policy level. While the management acts on various aspects of the policy, so that the Chairman and the President, it is a person who by both positions must be admitted by the Board of Directors to provide people with the most appropriate. In addition, the company's Board of Directors is also a scheduling to inherit the position of senior executives by the plan will be reviewed annually.

To the position of Director and / or independent directors each director will receive important information about regulations that are specific to the duties and responsibilities of the Board of Directors to receive legal advice rules and conditions as a company listed on the directors, as well as to get an understanding of the business of the company.

The company will provide new directors with orientation by the participants in the course of the Institute - Director Thailand in order to get the following information.

- (1) the importance of the board.
- (2) the role of the principles of good corporate governance.
- (3) The duties and responsibilities of directors under the law.
- (4) guidelines for judges to follow the law and practice of the Stock Exchange of Thailand. Securities and Exchange Commission

For directors on the board of directors of this new company. The company has prepared a policy document, a new director has been known businesses, including information such as capital structure , shareholders Performance . Including legislation, regulations, and delivery guide for directors. This is useful information for the Director to the Board. The guide consists of:-

1. The Public Companies Act BE 2551 (revised edition )
2. Conduct for Directors of Listed Companies
3. Conduct
4. Certificate Company Objectives and regulations
5. Guide SEC registered trademark of Directors
6. Books related transactions of listed companies
7. Principles of good corporate governance for listed companies in 2555
8. Reports disclose the company's annual edition

In case of unlearned Training Program Directors. The company will send trained by Thai Institute of Directors (IOD)

### 8.1.3) Executive

Executive as follows:

<u>No.</u>	<u>Name</u>	<u>Position</u>
1	Mr. Prapas Chutimavoraphand	Chief Executive Officer and President
2	Mr. Pong Chinthammit	Senior Vice President
3	Mrs. Yaovanuth Dejvitak	Director of Assistant President, Accounting and Finance , Acting Director of Assistant President of office
4	Mr.Pallop Heamataksin	Vice President of Business Line portand general warehouse and Acting Vice President Business Line portcontainer, Business lines and other investment
5	Mr.Damrong Theeramoke	Assistant President of Project Development and systems
6	Miss.Amornrat Hattakam	Accounting Director
7	Mrs.Wanna Surattanasurang	Finance Director

Executive meeting last week, the first by a different manager attendees exchange ideas, To improve performance and increase efficiency even further

### The Securities administration

<u>No.</u>	<u>Name</u>	<u>Amount stock (share)</u>		<u>Shares Increase (decrease) during the year (Share)</u>
		<u>31 December 2015</u>	<u>31 December 2014</u>	
1	Mr. Prapas Chutimavoraphand	11,928,664	5,483,532	6,445,132
2	Mr. Pong Chinthammit	-	-	-
3	Mrs. Yaovanuth Dejvitak	23,712,040	11,881,540	11,830,500
4	Mr.Pallop Heamataksin	-	-	-
5	Mr.Damrong Theeramoke	-	-	-
6	Miss.Amornrat Hattakam	-	-	-
7	Mrs.Wanna Surattanasurang	-	-	-

#### **8.1.4) Company Secretary**

The Board of Directors Meeting No. 10/2014 dated October 30, 2014 approved the appointment of Miss Siriporn Sirisap as Company Secretary beginning on October 31, 2014 onwards. The qualifications of the position of Company Secretary in Appendix 1 and she also acted as the secretary of the subsidiaries 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 corporate 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.
7. The Company Secretary is at the center of the organization (Corporate Records), such as books. Incorporation memo mandatory register of shareholders.

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.

#### **8.2 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 Year 2014 No.1/2015 on 23 April 2015 approved the remuneration for the year 2015 is as follows :

- Chairman of Remuneration per month 33,000 Baht
- Directors' remuneration per person per month 16,500 Baht
- allowance per person 11,000 Baht per a time (only director to attend the meeting.)

### **Remuneration Committees**

Audit Committee Remuneration per month 11,000 Baht

- Compensation Audit per person per month 5,500 Baht

- Remuneration Committee, Nomination and Remuneration Committee at a time, 6,000 Baht

Bonus for the Annual General Meeting 1/2015 on 23 April 2015 approved the bonus payments to the committee.

The Board of Directors approved based on the results of operations in recent years.

### **Directors' Remuneration as of 31 December 2015**

Unit : Baht / Year

No.	Name	Remuneration	Meeting Allowance	Bonus	Gasoline Allowance	Total
1	Mr. Pricha Attavipach	396,000	132,000	165,000	120,000	813,000
2	Mr. Prapas Chutimavoraphand	198,000	132,000	82,500	0	412,500
3	Mr. Pong Chinthammit	198,000	132,000	82,500	0	412,500
4	Mr. Chanachai Chutimavoraphand	198,000	138,000	82,500	0	418,500
5	Mr. Narong Chenlarpwatanakul	198,000	132,000	82,500	0	412,500
6	Mr. Chadej Insawang	198,000	132,000	71,500	0	599,500
7	Mr. Suang Ruangsook	198,000	132,000	77,000	0	506,000
8	Mr. Nisakorn Parkpean	198,000	138,000	77,000	0	512,000
9	Mr. Win Chinthammit	198,000	99,000	82,500	0	379,500
10	Mr. Chalush Chinthammit	198,000	99,000	82,500	0	379,500
11	Mr. Somchai Chinthammit	198,000	121,000	82,500	0	401,500
12	Mr. Dhanadol Sujiphinyo	198,000	110,000	82,500	0	390,500
13	Miss Jutatip Arunanondchai	198,000	127,000	82,500	0	407,500
14	Dr. Suphorm Chayowan	198,000	132,000	82,500	0	412,500
15	Dr. Charnkrij Dejvitak	198,000	132,000	82,500	0	412,500
	<b>Total</b>	<b>3,168,000</b>	<b>1,888,000</b>	<b>1,423,000</b>	<b>120,000</b>	<b>6,870,000</b>

### **Other Compensation**

- None -

### **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. In 2015, the company paid remuneration as detailed below.

Type	Number of Executive Directors	Thai Sugar Terminal PCL.
		Total (Baht)
Salary	6	12,358,260.00
Bonus	6	4,786,950.00
Living Expenses and Gasoline Allowance	6	561,843.17
<b>Total</b>	<b>6</b>	<b>17,707,053.17</b>

**Note :** The Executive Board consist of 6 executive count from the Chief Executive Officer and President Down have Senior Vice President 1 position, Vice President 1 position, Assistant to President 1 position, Accounting Director, Finance Director and Director of Assistant to President 1 position was appointed to the Board of Directors on February 2016.

#### **Other Types of Non-Monetary Remuneration**

- |  |                                  |
|--|----------------------------------|
| 1. Chief Executive Officer and President | : With the bus driver and petrol |
| 2. Director of Assistant to President    | : With the bus driver and petrol |
| 3. Vice President                        | : The official car and petrol    |
| 4. Assistant to President                | : The official car and petrol    |

#### **8.3 Personnel**

As of 31 December 2015, the company had 67 employees classified by the company's organization structure as follows :-

1. Management Team : Consisting of the Chief Executive Officer and President , Director of Assistant to President Vice President , Assistant to President.
2. Office of the President
3. Office of Company Secretary
4. Business line port and general warehouse
5. Business Line port container
6. Business lines and other investment
7. Project Development and systems
8. Accounting and Finance
9. Officer



**Remuneration for Employees**

In 2015, all the company's employees received the total remuneration of 27,841,082.62 baht as follows :-

Salary	16,257,338.12	บาท
Bonus	6,730,335.50	บาท
Overtime	1,807,172.00	บาท
Living Expenses and Others	546,120.00	บาท
* Welfare	2,076,873.00	บาท
Provident Funds	423,244.00	บาท
<b>Total</b>	<b><u>27,841,082.62</u></b>	<b>บาท</b>

**Note :** \* Include welfare payments.

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 the full retirement age in 2015, has a staff of four works by the company paying the retirement and severance pay under the law of 1,439,573.- Baht THB 637,300.- amount totaling 2,076,873 Baht

**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 2015 can deduct contributions to a number of 423,244 baht per the Fund and welfare related. amount paid to employees. Apart from contributions to fund the company's number of 423,244 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 -

## **9. Corporate Governance**

### **9.1 Policy Governance**

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.

## **9.2 Committees**

**Board of Directors** : Thai Sugar Terminal Public Company Limited according to the Memorandum of Association of Ministry of Commerce on 14 January 2016. It consists of 15 members as follows.

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

### **Audit Committee**

The Board of Directors shall approve the appointment of Audit Committee since 1999 the term of office for a term of three years 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 2015

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

**Note :** 1) Audit Committee's current term of office of three years starting from April 26, 2013 and ended in April 2016  
2) Secretary of the Audit Committee. Starting on October 31, 2014.

### **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 has regular meetings at least once a quarter and reported to the Board of Directors. The external auditors. Audit and Account Executive meeting to review the financial statements every quarter. Annual financial statements including review of internal control and risk management meetings with the working group as well as with regard to corporate governance and proposed to the Board of Directors has adopted and implemented to ensure compliance with the principles of good corporate governance and ensure compliance with the code as well.

In 2015 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 2015 shall be as follows :-**

Name of Directors	number of times in meeting attendance/ number of total meetings	Term of office
Mr.Chadej Insawang	4/4	April 2013 - April 2016
Mr.Suang Ruangsook	4/4	April 2013 - April 2016
Mr.Nisakorn Parkpean	4/4	April 2013 - April 2016

**Remuneration for Audit Committee for the Year 2015**

Unit : Baht

No.	Name	Position	Remuneration (Year)	Bonus	Total compensation (Year)
1	Mr.Chadej Insawang	Chairman of Audit Committee	132,000	66,000	198,000
2	Mr.Suang Ruangsook	Member of Audit committee	66,000	33,000	99,000
3	Mr.Nisakorn Parkpean	Member of Audit committee	66,000	33,000	99,000
<b>Total</b>			<b>264,000</b>	<b>132,000</b>	<b>396,000</b>

**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 by have The Nominating Committee and Compensation Committee will consider and recommend to the board to appoint the next.

The wishes of the annual general shareholders meeting No. 1/2013 held on April 25, 2013 meeting where the resolution 2013 approved the appointment of Directors to all the five persons back into the next term, and Director 3 in 5 persons: Mr. Chadej Insawang Mr. Suang Ruangook Mr. Nisakon Parepean who are independent Director who is an Audit Committee by the Board of Directors' meeting No.4/2013 which held on April 25, 2013, had unanimously appoint independent directors, all 3 people back into position following an audit by Mr.Chadej Insawang as Chairman of the Audit Committee, and Mr. Nisakon persevere as a member of the Audit Committee with the knowledge of the account.

**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 2015, 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.

**Nominating and Remuneration Committee**

In 2007, The Board of Directors has approved the appointment nominating and remuneration committee 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 persons of them is executive director and two persons of them are independent directors as follows.

- |                 |                   |                       |                             |
|-----------------|-------------------|-----------------------|-----------------------------|
| 1. Mr. Niakorn  | Parkpean,         | Independent Director, | take a position of Chairman |
| 2. Mr.Chanachai | Chutimavoraphand, | Executive Director,   | take a position of Director |
| 3. Miss Jutatip | Arunanondchai     | Independent Director, | take a position of Director |
- Miss Siriporn Sirisap as the Secretary of the Nomination and Remuneration Committee on 31 October 2014.

**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.

The company allowing shareholders to nominate a person to nominate directors. At the annual general meeting of shareholders according to the criteria defined by the company. The nomination and Compensation Committee to consider the selection of qualified people, and there are no prohibited characteristics according to the requirements of the public limited companies act are proposed to the Board of Directors possesses property takes precedence over the names proposed to the annual general meeting of shareholders for election as individuals.

In 2015 a meeting of the Nomination and Remuneration Committee on 1 times by members attended every meeting fee for a total consideration of Baht 6,000 each for a total of 18,000 baht. In case there are issues to be considered as a special case additional meetings may be held as deemed appropriate by the Chairman for approval directors attended the board meeting and the issues were considered as criteria for determining the tenure of such committees criteria for determining the remuneration of directors and committees set criteria for persons to be directors or shareholders.

### **Criteria to determine the tenure of the various combinations**

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 Nomination Committee's policy positions in other companies. The director must not be appointed as a director in a company that has a business that is in competition with the business of the company directors determined that each director to hold office for all company directors appointed to the Board of Directors to propose to the shareholders' meeting and to disclose information to shareholders.

### **Working group on Risk Management**

The Company has established a working group on Risk Management on January 2013 consists of 3 independent directors and one executive director who is responsible parties membership as the following list.

No.	Name		Position	Work Position
1	Mr.Chadej	Insawang	Chairman	Independent Director
2	Mr.Suang	Ruangsook	Independent Director	Independent Director
3	Mr.Niakorn	Parkpean	Independent Director	Independent Director
4	Mr.Pong	Chintammit	Member	Senior Vice President
5	Mr.Pallop	Heamataksin	Member	Vice President
6	Miss.Amornrat	Hattakam	Member	Accounting Director
7	Mrs.Wanna	Surattanasurang	Member	Finance Director
8	Mr.Prasit	Tumwijit	Member	Technician and Maintenance Manager
9	Mr.Bhusit	Photsathon	Member	Manager HR & Administration
10	Miss.Siriporn	Sirisap	Member	Company Secretary

### **The roles and responsibilities of the Board risk management organization.**

1. Decision makers in relevant actions under the scope of the responsibilities defined under the Administration plan, risk and have the power to obtain information in order to perform duties as assigned.
2. Risk management policies covering various risks, such as risk, strategic risk, accounting and finance. Market risks operating risks or other risks that are significant to the business operations of the company.
3. Define the strategies and resources that are used in the risk management of the company in accordance with business operations.
4. Monitoring of the risk management process to ensure that the new battle of risk management have been implemented appropriately.

In 2015, the Risk Management Committee has convened four times such a meeting is a meeting, in the same time, meetings of the Audit Committee. The meeting will discuss the work, which will include defining the risk management plan performance is tracked according to the obligations that have been assigned to ensure the company has risk management system. The early warning and preventive measures are defined and managed risks, including risks that can affect the operation and regulatory compliance are the planned report, as well as risk management and presented to the Board of Directors' meeting.

#### **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, including Mr.Chadej Insawang, Mr.Suang Ruangsook and Mr.Niakorn Parkpean 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.

#### Directorships of other companies

For transparency in business operations, the company will reveal each of their tenure and inform. To the Company to disclose to shareholders and investors informed. In addition to the extensive experience and knowledge in their care to improve the company's business in line with business customers who use the service.

The company's Board of Directors set the meeting date advance each year. Usually determined last Thursday of the month, so that the Committee can follow policies and initiatives have continued, and inform the meeting of the year. To acknowledge the beginning year and there may be additional Committee meetings as appropriate. The Company Secretary will send a meeting invitation with agenda and documentation containing the information required and to the Committee as an advance, not less than 7 days before the meeting date in order to give the Committee time to study the information adequate leave. If there is urgent necessity by each Director can query information from the Company Secretary and are free to propose it to the agenda. This is the agenda of the Committee will be divided into categories and has an agenda to consider follow-up action. Where to define the agenda for the consideration of the Chairman Chief Executive Office

During the meeting Chairman of the Board of Directors allocates sufficient meeting time and opportunity for the Committee to comment freely and to invite senior executives attend meetings to provide additional information relating to the agenda and to acknowledge the direct policy can be operating efficiently. In addition, it provides a note written meeting covering the subject matter fully completed in a timely manner and kept certified by the Board of Directors and a documentation available to the Committee, and those involved in monitoring and tracing reference.

In the event that any director has a conflict of interest on the agenda for consideration director will disclose the conflict of interest to the Board immediately and will not participate in the decision making process in the meeting agenda.

Board of Directors The Board of Directors to assist the Board of Directors, acting in the performance of its responsibilities on each side. The details are shown in Section 9.2. The Board of Directors and Board Committees, The Board of Directors is responsible for the review of the performance of the sub-committees, each committee annually each committee has specific regulatory roles and responsibilities clearly and chairman of each committee is responsible for the operational and reporting issues to the Board of Directors.

The Board of Directors is responsible for determining the responsibility for risk management and internal control to support the operational efficiency and effectiveness. The Board of Directors also has the responsibility to make financial information is reliable and can cause compliance with laws and regulations. Monitor compliance risk management framework and internal controls to ensure efficient and achieve prescribed.

In the formulation and review of the risk management framework. The Board must consider the facts of the risks involved by considerations of losses that may be incurred and the cost of controlling that risk. To be able to make a proper internal control system.

The Board of Directors has prepared and approved codes of conduct for employees who identified guidelines and operational duties of directors and employees in the organization which discusses about the principles and core values as well as the company aims and responsibilities to the various stakeholders in order to standardize the behavior and performance of directors and employees with honesty and fairness

The Board of Directors recognizes the importance of employees by treating all employees with respect. In honor and dignity and provide opportunities for staff at all levels to build morale for employees to work efficiently under the responsibilities are clearly defined and the workplace.

The Board has delegated the administration of the Board of Directors and management under the system of internal controls to make available adequate and appropriate. And part of the internal audit plan are covered. Assess the adequacy and effectiveness of internal controls which must be conducted in a systematic and consistent. The internal auditors are required to report on the audit to the Board Audit Committee every 3 months and proposed to the Board of Directors to evaluate the adequacy and appropriateness of the internal control systems of the company as a whole annually.

The Board of Directors is responsible for determining the responsibility for risk management to support operations effectively and efficiently included the following risk management framework to ensure efficient and achieve prescribed. In the formulation and review of the risk management framework. The Board must consider the facts of the risks involved taking into account the losses that may be incurred and the cost of controlling that risk. To be able to make a proper internal control system.

### **9.3 Nomination and Appointment of Directors and top management**

The Nomination and Compensation Committee is responsible for nominating individual Councillors are directors and/or independent Director to replace the directors retiring by rotation or in other cases presented to the Board of Directors to consider a person to be nominated for election at the shareholders meeting. The nomination and Compensation Committee will choose from the experts and expertise from a variety of careers with leadership visionary virtue and morality. There is a transparent work history, as well as have the ability to think independently specific features are taken into account by people in various aspects.

- Integrity and responsibility (Integrity and Accountability).
- Decision making with information and reason (Informed Judgement).
- With maturity and stability is a good listen, and show a different opinion, and freedom.
- Is committed to working with the principles and standards of exemplary professional.

As well as considering the knowledge expertise needed on the Board so that the Board can determine the strategy. Regulatory and policy compliance, effective strategies.

#### **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 0.5 percent 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.

5. Not or has never been as auditors of the company. Subsidiary company Associated companies or major shareholders of the company and control authority is not the significant shareholders. Control authority or shareholders of an Audit Office that there is the auditor of the company. Subsidiary company a joint major shareholder or controlling authority of the company belong unless it has passed from the characteristics mentioned previously is not final but that 2 years ago.

6. Do not or has never been as any professional service provider, which includes serving as legal counsel or financial advisor who receives a service fee amounting to over 2 million baht per year from the company, a subsidiary or Associated companies or major shareholders of the company and control authority is not the significant shareholders. Control authority or the partner of a professional service provider, except from those characteristics and not less than 2 years.

7. The Committee is appointed to represent the company's directors. Major shareholders or shareholders, which is related to the major shareholders.

8. Do not operate the same nature and in competition with the business of the Company or its subsidiaries or partnerships that were in partnership or a director, an employee, consultant, employee salary or holds more than 0.5 percent of the shares with voting rights of the company. The business of the same nature and in competition with the business of the Company or its subsidiaries

9. There is no any other way make comments independently about the operations of the company.

**Thai Sugar Terminal Public Company Limited has defined as independent in accordance with the rules of the office is Intense to the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.**

#### **9.4 To supervise the operations of subsidiaries**

The Board of Directors of the company can control the management and responsible for the operations of the subsidiary to administer benefits in the company's capital.

- The Board of Directors and Board of Executive Directors of the company and its subsidiary is a member of the same series, because the business of the subsidiary is not large-sized enterprises and the manner of doing business without much complexity to the business area within the company's area, as well as to define the various rules and regulations will be based on principles of Thai Sugar Terminal (TSTE) as a template.
- Business policy, as well as to define the scope of duties and responsibilities the Board of Directors of a subsidiary company is defined for each user. So the Board of Directors of Thai Sugar Terminal (TSTE), it can be maintained in the interests of minor shareholders.
- Regulatory mechanism that affects the financial disclosure and performance. During the subsidiary related to individuals The acquisition or disposal of property, as well as other important items are fully qualified using the criteria relating to the disclosure of information and to make an entry in the same way using the same criteria, the company.
- Establishing an internal control system that is suitable and strong enough for such a capital increase or reduced approval costs. . The abolition of a subsidiary company, etc.

### **9.5 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. 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 :

Company Secretary office and/or Accounting Manager

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 : [Thaisugarterminal@gmail.com](mailto:Thaisugarterminal@gmail.com)

Attention : Company Secretary and/or Accounting Manager

### 9.6 Remuneration of the auditor

The Audit Committee considers the properties and evaluate the performance of the external auditors and the Board of Directors to appoint the auditors of the Company in each year, including the remuneration of the auditors to be proposed to the Board of Directors and implemented. proposed to shareholders for approval.

In February 2015, the Audit Committee had examined the auditor performance of year 2014 and proposed the auditor from Sam Nak Ngan A.M.C. Co., Ltd. The auditors of the Company and its subsidiaries for the year 2015 as followings :

Company	Auditor responsibility	Number
Thai Sugar Terminal Public Company Limited. T S Flour Mill Public Company Limited.	Mr.Ampol Chamnongwat CPA License No. 4663 / Miss. Prapasri Leelasupha CPA License No. 4664 and Mr.Narit Saovalaksakul CPA License No. 5369  As auditors of the Group Thailand Sugar Terminal contents (date) and in cases where the auditor is unable to perform such work, office supply and other office CPA instead	4663 / 4664 / 5369
T S Oil Industry Co., Ltd. T S G Asset Co., Ltd. T S Warehouse Co., Ltd. T S Transport and Logistics Co., Ltd.	Mr. Ampol Chamnongwat and / or Miss. Prapasri Leelasupha and / or Mr.Narit Saovalaksakul and / or Mr.Artid Likidjida  In which case the auditor is not allowed to operate a CPA office supply and other office instead.	4663 / 4664 5369 / 11516

**Remuneration of the auditor for the year 2015**

Company	Audit Fees Annual financial statements	Audit Fees Financial Statements (3rd quarter)	Total
Thai Sugar Terminal Public Company Limited.	300,000	310,000	610,000
T S Flour Mill Public Company Limited.	300,000	315,000	615,000
T S Oil Industry Co., Ltd.	49,000	81,000	130,000
T S G Asset Co., Ltd	34,000	36,000*	70,000
T S Warehouse Co., Ltd.	47,000	53,000*	100,000
T S Transport and Logistics Co., Ltd.	70,000	90,000	160,000

Note: \* Reviewed by a report of the review.

The Sam Nak Ngan A.M.C. Co., Ltd. and the CPA is not a party or transaction that may cause a conflict of interest with the company and its subsidiaries and is not a shareholder of the company and its subsidiaries.

**Internal auditor**

The Audit Committee is considering an internal auditor qualifications, must be someone who has knowledge and experience in monitoring internal control systems risk factors, and there is an understanding in the working environment that is related to the business of the company and its subsidiaries can give a suggestion to propose management solutions considered according to recommendations and proposed that the conference committee appointed annually for the year, In 2015 the Audit Committee auditing by Mrs. Kojakorn Wanasawat Position Senior Manager qualification bachelor of applied computer science, Faculty of science, King Mongkut's Institute of Technology North Bangkok holds a Bachelor degree in business administration, Faculty of science, Ramkhamhaeng University . Training course COSO 2013 theory and practice training courses for IT Audit of federation internal auditor certification program CPIAT , Maintain and improve the quality of the internal audit department a self-assessment section on anti-corruption functions. The investigation of corruption experience in internal audit for a period of 12 years as an internal auditor of the Company and its subsidiaries In 2015, annual compensation of 345,000 baht.

The Dharmniti auditing Co., Ltd. internal auditors are not limited to an individual or a transaction that may cause a conflict of interest with the company and its subsidiaries and is not a shareholder of the company and its subsidiaries.

## **9.7 Practices according to the principles of good governance in other matters**

### **Right and equality of shareholders**

#### **The rights of shareholders**

The Company has scheduled its annual shareholders meeting in less than 4 months after the end of each financial year and if there is an urgent need to propose agenda as a special case. Which is affecting or relating to the interests of shareholders or conditions or rules associated with applicable law to be approved by shareholders, the Company will call a meeting EGM on a case.

The Company has facilities to all shareholders entitled tasks both as an investor in securities and as a company with standards that are acceptable and reliable. The rights were traded securities held independently to get a share of the profits of the company attendance of shareholders to comment on the meeting independently to make decisions on important matters of the company such as the election of directors approval of dividend. The election of auditors and others. The shareholders of every company are entitled to the number of shares held. The shareholders are entitled to one vote, and no shares of any privilege that restricts the rights of the other shareholders.

Apart from the above mentioned rights, the Company has also performed on various matters. To promote and facilitate the exercise of shareholders' equity as follows.

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 meeting, the shareholders of the opportunity for shareholders to propose agenda and to nominate candidate elected as a Director The shareholders must be held constant at least 5 percent of the paid-up capital or not less than 7,259,997 shares may be shareholders one or several combined and indirectly held continuously since that date proposals for inclusion on the agenda for at least 12 months by the company to allow shareholders to propose the agenda and to nominate persons to be elected as a Director since December 1, 2014 - January 15, 2015. The Nomination and Compensation Committee consider the Board of Directors for consideration. In the event that the agenda of the meeting will inform the meeting that the agenda set by the shareholders. In the event that the Board of Directors rejected the offer to shareholders on the agenda. The company will explain the reasons at the Annual General Meeting of shareholders in mind.



The Company has prepared a form for the proposed agenda and nominate persons to be elected as a Director. In order to facilitate the shareholders in the year 2558 with no shareholders to propose agenda and nominate persons to be elected as directors in advance at all

5. On April 23, 2015, the Company held the Annual General Meeting of Shareholders. The directors in attendance quorum of 13 is unable to attend the meeting of two persons, including the Chairman and the Board due to other missions The Company considers it appropriate to hold a shareholders' meeting at the conference room of Thai Sugar Terminal Public Company Limited layer 3 as in the year 2015 due to the capacity of shareholders to attend a meeting In order to facilitate the shareholders to attend and ask questions and express opinions within the same meeting, making meetings run smoothly and efficiently

To date, the company has established a registration system used by shareholders or barcode ojed used to register processing and counting of votes for the convenience of registering and voting.

In addition to voting for each agenda item. The company will collect the ballots of shareholders voting card only dissenting vote to the calculation of the total voting rights. except agenda election commission will collect the ballot all agree to disagree and abstain in order to calculate the voting results on each item and at the end of the meeting, shareholders can request a check for details

6. In each year of shareholders' meeting, one third of the total number of directors will complete their terms, which will be elected at the meeting. The company allows shareholders to vote for each person to be elected independent. The company has set up a rotation about the remuneration of directors by classifying the remuneration of each director will receive a monthly remuneration, allowances and bonuses to directors. Therefore, the proposed changes to the remuneration of the directors must be approved by the general meeting of shareholders.

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.

2. 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.

9. In a meeting of shareholders in 2015, the company has determined the order in agenda set out in the notice of meeting is sent to shareholders in advance without changing the order of the agenda to the meeting and no matters other than those specified in the notice of meeting of shareholders in any way undo edits cancel.

### **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. To provide shareholders and the voting results can be checked quickly. In addition to the resolutions of the Conference through its information dissemination system, the Stock Exchange of Thailand, The company has opened the resolutions at the general meeting of shareholders in each canton is on the company's website within the next working day from the date of the shareholders' meeting.

5. The meeting was recorded completely contain the essence: resolutions and voting results are divided into a number of sounds. Don't agree to abstain from voting or bad card in each agenda question. Statements and opinions of the meeting and deliver a report to the meeting, as well as legal authorities within a period of 14 days from the day of the shareholders' meeting, together with the minutes of the meeting sent to shareholders and published on the company's Web site.

### **The shareholders of the visit**

The company will provide shareholders the visit after the completion of the Annual General Meeting of the shareholders on request. 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.

### **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.

For disclosure of important news, the company has taken over the various channels to provide shareholders and other stakeholders have been informed by thorough information dissemination through various channels as follows:

1. The Stock Exchange of Thailand
  - 1) Annual report.
  - 2) The company's financial statements.
  - 3) Resolutions of the Board of Directors, document 3)
2. The Office of the Board of Directors of the Securities and Exchange Commission.
3. Ministry of Commerce
4. the company's Web site, [www.tstgroup.com](http://www.tstgroup.com) , which has both Thai and English languages. .
5. Delivery of notice of shareholders' meeting by post.

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.

8. Define rules and regulations governing the use of inside information and the code of conduct for directors' securities Trading and executives, which in accordance with the law on securities and the principle of good corporate governance by the above regulation contains the following principal.
  - Organize tasks Operating locations. Internal storage is not to be disclosed to a third party and the use of internal data or send data internally to perform only those who need to know, or need to work.
  - Banned directors and executives a transfer or transfer the securities on the basis of inside information as to the subject matter of the price changes of securities that are not publicly available. The stock exchange of Thailand or the disclosure of inside information to others to do so by their benefits.
  - Directors and managers have a duty to report to securities issued by the company of your spouse and your children are still underage, and report any changes to those securities. When you are trading or transfer the securities transfer according to the Office of the Board of Directors of the Securities and Exchange Commission, and a copy of the above report to the Secretary of the company to continue to offer collection. The Board of Directors. In addition, the company also requires that the employee who is associated with the data in the pivot is in accordance with criteria defined must be reported to the securities of your spouse and underage children of the regulatory authorities of the company.
  - On the supervision of securities trading and protecting information within the company. The period Interval limited trading of the company's directors and executives, including spouse and underage children, who have restrained trading such securities during the 14 days before the date the financial statements disclosure company or operating results on a quarterly basis until the company discloses such information and the regulations. The rules on data protection within the Committee and the relevant employees. by the Committee in the past year, and executives have been strictly in accordance with regulations.
9. Make directors and executives report to their stakeholders and those involved for the first time the Company Secretary to report to the Chairman of the Board and Chairman of the Audit Committee and report every time when there is a change on the basis that the Securities Act and the securities markets are determined by the year 2015, there are no changes in the equity of the directors and senior management.

### **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.

**Board of Director's responsibility**

As of dated 31 December 2015, 15 Company Committee are 5 independent committee, 5 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 0.5 percent 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 1<sup>st</sup> 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.

**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.

**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.

**To prevent conflict of interest**

The company operates by adhering to and complying with the principles of good corporate governance and thus provide supervision and protection on items that may have a conflict of interest or any related transaction or a list of suitable under a good ethical framework by which is known an important code of conduct for directors and employees. By abiding by a code of conduct to be trust and trust of all stakeholders. This is an important criterion as follows:

- The Board of Directors of service companies have set guidelines against conflict of interest and related transaction and set guidelines to determine an appropriate designation must pass moderation from the Audit Committee, and is in accordance with the guidelines of the Office of the Board of Directors of the Securities and Exchange Commission, The stock exchange of Thailand



- The Executives or employees with the benefits associated with the transactions made with the company or any subsidiary of the company, shall not take part in the review or approval of such transactions, and. The pricing is fair, appropriately according to the terms of trade, in General, with the virtual people.
- Require the presentation of items that relate to the Audit Committee to consider before proposing for approval to the Board of Directors in accordance with the principles of good corporate governance, and on the basis that the Office of the Board of Directors of the Securities and Exchange Commission.
- The Board of Directors has established the principle of the related transaction between Executive Director or people who are associated with a company or its subsidiaries. If there is agreement. Like to trade partners.
- In transactions between the company and its subsidiary or between subsidiaries of the transactions of the company. The company defines as transactions with a condition or requirement that is usually identical to the transactions that are made to the common people with the same level of risk, or if approved by the Board of Directors and the Board of the subsidiary , as the case.

## **10. Corporate Social Responsibilities : CSR**

### **10.1 Policies and operations of the company**

The Thai Sugar Terminal Public Company Limited has engaged with social responsibility (Corporate Social Responsibility: CSR) with awareness and the importance of supporting social activity and the surrounding community. Including continuing care environment operates under the principles of transparency, accountability and ethics, respect for human rights and interests of stakeholders such as shareholders, employees, communities company operation of the customers, partners and government agencies, as well as social and national principles.

#### **1) Operations with fairness**

In order to demonstrate the company's commitment to conduct business with transparency, integrity and responsibility to stakeholders as well as its social and environmental. The Company has determined "Code of Conduct" for the board of directors, management, employees and all employees be adopted in practice in conjunction with the rules and regulations of the company. The Company adopted rules and regulations originally renovated in 2007 and adopted a Code of Business Conduct and regulations revised used officially in 2008 to the present are as follows;

#### **Ethics in business are as follows:**

1. Focus on generating the highest return for shareholders, including organizational development, growth and advancement, stability.
2. Management and organization management carefully with the knowledge and skills to the fullest.
3. Duties based on the principles of transparency, fairness and honestly to the benefits to all parties involved with the organization.
4. Adhering to the law, standard, and enterprise business, frankly, including disclosure of financial information transparency.
5. Do not bring it within the non-disclosure of confidential information or enter your organization to find a useful place and who is involved, or be disclosed to third parties that would cause a conflict of interests.

#### **To receive complaints on business ethics**

Corporate Secretary Office has been given or the Audit Committee serves as the unit receives complaints. The related employee ethical and / or who have seen can be sent directly to the ethics complaints, according to the following mailing address/business unit received the ethics complaint/Office of the Secretary and / or Audit Committee.

Unit received complaints of Business Ethics

Secretary Office and / or Audit Committee

Thai Sugar Terminal Public Company Limited

90 Moo 1, Soi siamsilo, Poochaosamingphrai Rd.,

Samrongklang, Phrapradaeng, Samutprakarn 10130

or E-mail Address : [Thaisugarterminal@gmail.com](mailto:Thaisugarterminal@gmail.com)

**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 (February 14, 2016), there are 15 members of Board of Directors consisting of :

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

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

**2) Anti-corruption corrupt**

The company has announced its intention of a unified practice to project a united front private practice Thailand in the fight against corruption, on May 28, 2015, the project has responded by sending a letter of thanks to the company's importance and join in the project. Aforementioned. In order to be processed by the company has to evaluate themselves on measures to combat corruption, which offers a total of 71 questions, which must be within 18 months from the date the Company announced its intention. When companies are able to do all need to be taken at a meeting of the Audit Committee for review and recommendations to the Board of Directors for approval. When the President signed the Corporate Secretary will send all documents to obtain certification as a unified private practice in Thailand against corruption. The study found that the assessment of the company is also a topic that can not be viable for another 20, which the department secretary to study and practice in a way so that the company has been certified as a member next.

**3) Respect for human rights**

The company has set policies to reflect the respect for human rights.

**shareholders**

1. Generate a yield growth, stability and proper shareholders. .
2. Professional duties in full knowledge of the. And caution.
3. The duties of good faith, transparency and fairness in order to establish the confidence of shareholders and treat all shareholders with equality.
4. Prepare a report on the status of the organization on a regular basis and fully based on reality and the shareholders involved.
5. Do not disclose the information as irrelevant without love.
6. Do not perform any negatively as an organization without prior notice to the shareholders.

**Partners and creditors**

1. Do not get paid or receive any benefits or not in good faith or with partners in the trade payables.
2. In accordance with an agreement with trading partners and creditors, precisely and strictly. In the case that could not comply with the conditions should notify partners or creditors as soon as possible to fix the problem are considered.
3. Information related to trading partners and creditors properly and fully in accordance with reality.

**Officers and employees**

1. Provide appropriate compensation and equitable knowledge-based. Competence, responsibility and the quality of work of each employee.
2. To reward or punish an employee requires a fair, transparent and done in good faith.
3. Give priority to the training of employees to develop the knowledge and capabilities of every employee.
4. Compliance with laws and regulations, labor and employee benefits.
5. Maintain a working environment for security, health and property of the employee.
6. Encourage employees to participate in shaping the development and improvement of the company.
7. The dissemination of practices and ethics to all employees to follow in their work.
8. Treat all employees on the basis of the dignity of the human being is equally and avoid. Any action affecting the progress and stability in career of employee.
9. Do not bring the employee's personal information, to find out whether any benefits.
10. Listen to comments and suggestions, which are beneficial to the Organization, is located on the cause and effect principle.

**4) To treat all employees fairly**

The company has ensured that the wage levels for the industry of Thailand. Improved structural changes and the organization will carry out responsibilities under the legal framework of Thailand, including legal compliance and Act BE 1998 without staffing policies under the age of 15 years without the use of forced labor in all its forms, including prison labor by force ,labor contract labor or debt slavery and human trafficking involving labor invalid.

The Company recognizes the importance of human resources caring about the welfare and safety in the workplace living conditions would lead to a better state of mind and dedication to work. The Company Therefore, the welfare of increased beyond what is required to comply with such laws.

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.

Preparation of Accident In addition to managing the insured against Social Security Insurance Company has prepared a special event for all stakeholders, employees who work with hazardous driver Motorcycles submit documents, employees who work at height, employees who work with machinery.

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.

The exercise of political The Company recognizes the importance of making a good civics by providing support to Directors and employees to act as good citizens by law but shall not take any action suggestive or misleading, the company provides support to any political party or any power employees have the right to freely participate in political activities outside of work or political activities on behalf of the company.

Responsibility for the company's assets

Company assets represents movable and immovable property. It also includes patent rights, copyright and confidential documents of the Company officers and employees have a duty of responsibility assets of the company.

1. Directors, management and staff not the property of the Company or for the benefit of others. Except for emergencies, with the permission of the authority to do so.
2. The employee is responsible for the company's property loss, loss or depreciation in value wastes assets. The company should be used in the operations of the company to achieve the highest performance and value for the property.
3. Employees should not alter, modify or renovate the property of the company. Prior permission from the authorities to do so.
4. prohibit you from counterfeiting, edit and / or decoration company documents illegally.
5. In the event the property is the computer prohibits employees from any illegal or pirated software coming into the company's Directors and employees should use the internet to find information and avoid websites that do not follow website of the law, as well as websites that violate custom or morality.

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

### 5) Consumer Responsibility

The Company's business is focused on providing clients. The guidelines include;

1. Meet the needs of our customers with the finest service and appropriate.
2. The system may provide the customer can claim a defect of the service a dissatisfied and proposed recommendations that would be useful to continue to respond to customers quickly .
3. Compliance with the conditions that are strictly. If you are unable to comply with criteria to inform customers in a hurry knowledge and jointly find solutions.
4. Proposed news service is accurate and does not distort any facts.
5. The importance of information and to publish a clear advantage for himself and those involved, regardless of whether any of the cases.

### 6) Environmental care

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.

### 7) The community or social development

The company has corporate social responsibility to define a policy that directors and employees are treated;

1. Support any undertaking that is beneficial to the community and global society.
2. Avoid any actions which result in damage to the nation. The city houses the community and the environment.
3. Do not encourage or cooperate in any illegal business related or a danger to the public, and the stability of the country.
4. Create awareness and instill social responsibility and employee organizations at all levels in the country.

### **10.2 Implementation and report preparation**

The company is studying the information to be presented to the board of director. The operational plan and prepared the following report.

### **10.3 Business Practices affecting social responsibility**

- None -

### **10.4 Event to benefit society and the environment**

The company provides assistance and support to communities adjacent to the area or areas away regularly continued in 2015 with the company's activities to support the continuation of the regular yearly include.

- a. Support activities organized Children's Day of the school community, including key at Pung hang sa na wat School (Tipsombat -chumautid) , Wat Samrong Nua School (Sukarat suksa) Wat Samrong nuea community , Moo 1 Rumjaipattana , Wat Tong Kung School , Disaster Prevention and Mitigation Poochaosamingprai Municipality and etc., as well as to support the activities of the religious temple located nearby.
- b. Continuously supporting the education by offering the scholarship for poor children continuously since the year 1982 until now.
- c. Offering scholarships to poor 10 students of Ubon Ratchathani Universities.
- d. Scholarships School to Pisanu School , Chalermkwansatree School , Phitsanulok.
- e. Co-hosted a ceremony to restore harmony at Wat Samrong Tai (Pung hang sa na wat) Prapadaeng. Samutprakarn province.
- f. The share offering to fund projects novice ordination Summer 2015 Annual Commemoration of King Maha Chakri Sirindhorn's Chakri Sirindhorn at Wat Samrong Nua.
- g. Blood donations from employees and the general public around the company. The meeting of the three companies is a blood donation. The donated funds to support the cost of purchasing medical equipment to hospitals Prakan.
- h. Event "Thai Sugar Development Environment" by employees with the community garbage collection. The effluents in the canal. The first solidarity among community development activities that employees do every day of the week to create a community that is clean and build a good relationship between the company and the community.
- i. Event "Job overturn" by handing out rice and dried food to employees Moo 1, Moo 3 and Moo 4 amount 500 set.
- j. Offering co-hosted fund the construction of the temple at Nong Rong Temple, Kao ka puk Sub-District , Ta Yang District, Phetchaburi Province. The Media Manufacturers Association for the blind.
- k. Offering co-host "The 69-year reign linen Charity create sufficient economic opportunities for people with disabilities near the eastern border" at the Nakorntam temple , Watthana Nakhon District Sakaeo Province.



- l. Offering harmonious co-host at samorlum Suphanburee Province.
- m. Merit linen build clinics, Bor Klear hospitals, Nan Province.
- n. Co-ordination ordination among them. The foundation of Buddhism to the desert
- o. Donation to Support "The King's 84th Birthday Anniversary Building Center and improve the lives of people with intellectual disabilities, the "Foundation for the Retarded of Thailand.
- p. Donate to support construction. "Auto Skills Our Children" Foundation for Autism Thailand
- q. The principal merit casting Buddha emperor Moakler Callas's Amornwdee temple, Tak Province.

### Annual Event Preview year 2015



On March 6, 2015, representatives of the company attended the dedicated annual event to raise funds amounting to 10,000 baht Wat Samrong Tai.



On April 3, 2015, representatives from the company offering co-factor for donating novice ordination annual Summer 2015 in honor of King Maha Chakri Sirindhorn's Chakri Sirindhorn at Wat Samrong Nua amount of 10,000 baht.





On July 6, 2015, the Company held a blood donation. The company has three meeting rooms and a donation to support the purchase of medical equipment to Samutprakarn hospital.



On July 18, 2015 the company activities. "Thailand Sugar Development Environment" by executives and employees share the cleaning of communities nearby.





On September 19, 2015, the Company held a "overtun" the distribution of rice and dry food among the people first, and ranks third among four of the 500 series, a community located in the vicinity firm.



On October 31, 2015, the company has co-hosted Kathin. Together with all employees and affiliates dedicated to the Wat Samrong The temple is located near the site of the company. The total amount dedicated to the 888,888 baht.

## **11. Internal control and risk management**

### **11.1 Summary of The board of directors**

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 :

#### **- The Internal control**

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 Assessment**

The company held a meeting of the Audit and Risk Management Committee meets on a quarterly basis and tracks the improvement by continuous feedback and assessment of risk factors, both 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.

#### **- The operation control**

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.

**11.2 Opinion of the Audit Committee**

The Audit Committee is 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 2015, the Audit Committee had checked up the internal control through the measurement of the executive and internal auditor; the Audit Committee and company auditor has found no material problem or defect. This is consistent with the opinion of the auditor of the Company under the Company's internal control system. The adequacy and effective implementation.

**11.3 Head of Internal Audit and supervisors oversee the company's operations**

In 2015, the company has appointed Miss Korakot Wanasawat from the Dharmniti Auditing Co.,Ltd acts as an internal auditor and the independent review and evaluation of internal control. The internal auditor is of the opinion that the Company's internal control risk management and supervision to control the accuracy of the process and that is sufficient to support the company to achieve the policy goals and objectives set by the management.

## **12. Inter Company Transaction Items**

### **These are the transaction**

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.

### **Trends transactions in the future**

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 2018 1. K.S.L. Sugar holdings Company Limited 33.20% 2. *Mr. Chanachai Chutimavoraphand 2.62% 3. Credit Suisse AG, Singapore branch 2.27% 4. Ms. Duangkae Chinthammit 2.26% 5. Ms. Duangdao Chinthammit 2.26% Khon Kaen Sugar Public Company Limited, At the end of fiscal year 2015 on 31 October 2015  <u>Note</u> * Mr. Chanachai Chutimavoraphand is the director of Thai Sugar Terminal Public Company Limited and is an Vice President – Accounting and Finance of Khon Kaen Sugar Public Company Limited	1. Mr. Manu Leowpairoj 2. Mr. Jamroon Chinthammit 3. <u>Mr. Prapas Chutimavoraphand</u> 4. Mr. Pornsilp Taamsirichai 5. Mr. Sitti Leelkasemrerk 6. Mr. Thawatchai Rojanachotkul 7. Mr. Sukhum Tokaranyaset 8. Mrs. Intira Sukanin 9. Ms. Duangdao Chinthammit 10. Mr. Pramoon Vichiansin 11. Police General Boonpen Bampenboon 12. Miss. Nonglak Pinainitisat 13. Mr. Karaun Kittisataporn 14. <u>Mr. Chalush Chinthammit</u> 15. <u>Mr. Somchai Chinthammit</u> 16. Ms. Duangkae Chinthammit 17. Mr. Chatri Chinthammit 18. Mr. Somchart Chinthammit 19. Mr. Thatchapong Pakornsiriwongse 20. Mr. Trakarn Choonharojrit 21. Mr. Worapat Tothanakasem
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 2015 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. <u>Ms. Jutatip Arunanondchai</u> 4. Ms. Juthamas Arunanondchai 5. 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 2 co-director : 1. Mr. Pong Chinthammit 2. Mr. Win Chinthammit	As of 31 December 2015 1. Mr. Weera Chinthammit 17.24% 2. Mr. Pong Chinthammit 15.98% 4. Mr. Win Chinthammit 5.75%	1. Mr. Weera Chinthammit 2. <u>Mr. Pong Chinthammit</u> 3. Mrs. Patcharee Chinthammit 4. Mr. Chatchai Chinthammit 5. <u>Mr. Win Chinthammit</u> 6. Mr. Kan Chinthammit 7. Mr. Pitch Chinthammit
Mitr Kaset Industry Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 4.18% 2) Have 1 co-director : Mr. Narong Chenlarwatanakul	As of 31 December 2015 1. Mr. Prayoon Chenlarwatanakul 25.05% 2. Mr. Mu Chenlarwatanakul 17.07% 3. Mr. Prapat Chenlarwatanakul 12.44% 4. Mr. Narong Chenlarwatanakul 6.38%	1. Mr. Anon Kaewpruksapimol 2. Mr. Mu Chenlarwatanakul 3. Mr. Prayoon Chenlarwatanakul 4. Mr. Prapat Chenlarwatanakul 5. <u>Mr. Narong Chenlarwatanakul</u> 6. Mr. Jarun Chenlarwatanakul 7. Mr. Pak Chenlarwatanakul



## 12. 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. 6, as of 31<sup>st</sup> December 2015 and 2014. Such items were verified by the Company's Audit Committee, who suggested that those items followed general conditions and normal business running.

### 12.1 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:

#### 12.1.1 Normal Business Service Arrangements for Y2014 Installment ending 31<sup>st</sup> December 2014, and Y2015 Installment ending 31<sup>st</sup> December 2015.

Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2014	Y2015
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	63.41	64.82
	T S FLOUR MILL PUBLIC CO., LTD.	provides warehouse rental to subsidiary at	10.52	9.08
	T S TRANSPORT AND LOGISTICS CO., LTD.	the rate depending on space and duration of the	1.89	1.89
	TS OIL INDUSTRY CO., LTD.	lease, and consistent with the market price	3.21	3.21
T S G ASSET CO., LTD.	T S WAREHOUSE CO., LTD.	Fee-based services And duration of the lease Which is based on market price	7.45	7.20
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 PCL. at the rate depending on space and duration of the lease, and consistent with the market price	2.94	0.12
	T S WAREHOUSE CO., LTD.		-	2.21
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. service unloading wheat	8.69	1.28
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	7.90	12.60
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	The unloading of sugar for export to the group	11.95	9.89
	PRACHAUP INDUSTRY CO., LTD.	Sugar factory by charge transfer	10.21	10.66
	TAMAKA SUGAR INDUSTRY CO., LTD.	The quantity Which is based on market price	11.68	12.32
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	standard	5.69	0.35
	RAJBURI SUGAR CO., LTD.		10.61	-
	MITR KASET SUGAR INDUSTRY CO., LTD.		8.53	-
	Eastern Sugar and Cane CO., LTD.		0.21	0.32



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2014	Y2015
T S WAREHOUSE CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. service Unloading of bulk raw sugar to THAI SUGAR TERMINAL PUBLIC CO., LTD. By Charge transport by cargo volume The market price	13.31	8.04
T S WAREHOUSE CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. load service	0.66	0.93
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Bulk raw sugar warehouse to the group	0.39	0.34
	PRACHAUP INDUSTRY CO., LTD.	Sugar factory by charge transfer	0.44	0.32
	TAMAKA SUGAR INDUSTRY CO., LTD.	Charge transport by cargo volume The market price	1.76	0.90
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		0.62	-
	MITR KASET SUGAR INDUSTRY CO., LTD.		0.12	0.12
	KASET THAI (Branch 3) CO., LTD.		-	0.16
	RAJBURI SUGAR CO., LTD.		0.62	0.51
	KASET THAI International CO., LTD.		-	0.26
THAI SUGAR TERMINAL PUBLIC CO., LTD.	RAJBURI SUGAR CO., LTD.	The company provides deposit, storage molasses The company is charged on the market value	0.73	0.03
	KASET THAI International CO., LTD.		-	0.74
THAI SUGAR TERMINAL PUBLIC CO., LTD.	MITR KASET SUGAR INDUSTRY CO., LTD.	The company serves the massage Sugar Company. Charge by the market price.	-	0.07
	KASET THAI International CO., LTD.		-	0.50
	KASET THAI (Branch 3) CO., LTD.		-	0.24
T S WAREHOUSE CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. service	5.98	4.13
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Storage is sugar for export by the company	2.97	2.09
	PRACHAUP INDUSTRY CO., LTD.	Charged on the quantity and duration	7.29	9.55
	TAMAKA SUGAR INDUSTRY CO., LTD.	Deposit, which is based on market prices	13.80	4.29
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		4.62	-
	RAJBURI SUGAR CO., LTD.		5.13	8.20
	MITR KASET SUGAR INDUSTRY CO., LTD.		2.07	1.17
	MITR KASET AUTAITANEE CO., LTD.		-	7.99
	KASET THAI International CO., LTD.		-	11.93
	KASET THAI (Branch 3) CO., LTD.		-	6.38



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2014	Y2013
KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	As compensation for sugar transport through the port	1.29	1.95
NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		Compensation fee based on distance and volume	1.10	3.23
PRACHAUP INDUSTRY CO., LTD.		Throughput under which pays off	1.00	0.73
TAMAKA SUGAR INDUSTRY CO., LTD.		THAI SUGAR TERMINAL PUBLIC CO., LTD.	2.55	1.46
RAJBURI SUGAR CO., LTD.		Be used to charge a standard rate of compensation	0.53	0.40
MITR KASET SUGAR INDUSTRY CO., LTD.			0.74	0.49
NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.			1.68	0.78
Eastern Sugar and Cane CO., LTD.			0.08	-
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. service electricity, water supply to	0.04	0.03
	T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	0.11	0.04
	T S G ASSET CO., LTD.	charge the actual cost	0.24	0.21
	T S FLOUR MILL PUBLIC CO., LTD.	Charged through the dock port Fee loader	0.09	-
	TS OIL INDUSTRY CO., LTD.	Goods and services balance Surcharge	-	-
	T S TRANSPORT AND LOGISTICS CO., LTD.	total market	-	-
T S TRANSPORT AND LOGISTICS CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	3.55	3.55
	T S WAREHOUSE CO., LTD.	and weighing The prices charged on	2.71	2.71
	T S FLOUR MILL PUBLIC CO., LTD.	The company is charged on the market value	0.37	-
	TS OIL INDUSTRY CO., LTD.		-	-
	T S G ASSET CO., LTD.		0.88	0.89
THAI SUGAR TERMINAL PUBLIC CO., LTD.	TS OIL INDUSTRY CO., LTD.	The company sold the car to TS OIL INDUSTRY CO., LTD. Market price	2.40	2.40
T S TRANSPORT AND LOGISTICS CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	13.64	14.68
	T S WAREHOUSE CO., LTD.	sell plastic bags to the Group	0.88	1.54
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	By the value of the market price	11.38	16.80
	MITR KASET SUGAR INDUSTRY CO., LTD.		1.74	-
	TAMAKA SUGAR INDUSTRY CO., LTD.		-	-
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		-	-

The above inter-company transaction items are consistent with the normal business service conditions, and were verified at the Board of Audit committee No. 1/2016 dated 23 February 2016.

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.

#### 12.1.2 Volume of Accrual and Other Items as of 31<sup>st</sup> December 2014 and 31<sup>st</sup> December 2015

Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2014	Y2015
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	Account payable	1.04	0.06
		Deposit received from warehouse rental	8.82	10.19
		Other payables	3.11	-
		Accounts receivable, deposits	0.66	-
		Account receivable	0.09	-
		Accrued interest	0.11	0.27
	T S FLOUR MILL PUBLIC CO., LTD.	Deposit received from warehouse rental	2.14	1.74
		Rental income receivable land and warehouses	7.46	11.34
	TS OIL INDUSTRY CO., LTD.	Deposit received from warehouse and land rental	1.39	1.39
	T S TRANSPORT AND LOGISTICS CO., LTD.	Deposit received from warehouse and land rental	0.66	0.66
	T S G ASSET CO., LTD.	Accrued revenue	0.02	0.02
		interest expense	-	0.03
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Accrued discount payable	0.12	0.12
	RAJBURI SUGAR CO., LTD.	Account receivable	1.59	3.79
		Accrued discount payable	-	-
	MITR KASET SUGAR INDUSTRY CO., LTD.	Accrued discount payable	2.59	0.24
		Account receivable	1.20	-
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Account receivable	0.37	-
		Accrued discount payable	0.23	0.13
	PRACHAUP INDUSTRY CO., LTD.	Account receivable	1.17	0.08
		Accrued discount payable	0.07	-
	TAMAKA SUGAR INDUSTRY CO., LTD.	Account receivable	2.62	-
		Accrued discount payable	1.04	0.48
	KASET THAI International CO., LTD.	Account receivable	-	0.83
		Accrued discount payable	-	-
	MITR KASET AUTAITANEE CO., LTD.	Account receivable	-	0.13
		Accrued discount payable	-	-



Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2014	Y2015
T S WAREHOUSE CO., LTD.	TS OIL INDUSTRY CO., LTD.	Accrued Interest	0.24	0.01
		Buy plant equipment	0.21	-
	T S G ASSET CO., LTD.	Deposits pay rent warehouse	1.25	1.25
	RAJBURI SUGAR CO., LTD.	Account receivable	0.57	5.30
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	-	0.15
	TAMAKA SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.05
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Account receivable	-	-
	KASET THAI International CO., LTD.	Account receivable	-	2.46
T S WAREHOUSE CO., LTD.	MITR KASET AUTAITANEE CO., LTD.	Account receivable	-	0.09
	NEW KRUNG THAI CO., LTD.	Account receivable	-	0.03
	MITR KASET SUGAR INDUSTRY CO., LTD.	Account receivable	0.13	-
	PRACHAUP INDUSTRY CO., LTD.	Account receivable	0.85	0.06
T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	Account payable	1.38	1.70
	TS OIL INDUSTRY CO., LTD.	Deposits pay rent warehouse	0.49	-
T S G ASSET CO., LTD.	TS OIL INDUSTRY CO., LTD.	Accrued Interest	0.09	0.08
	T S TRANSPORT AND LOGISTICS CO., LTD.	Accrued Interest	0.04	0.02
T S TRANSPORT AND LOGISTICS CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	2.76	3.21
	T S WAREHOUSE CO., LTD.	Account receivable	0.27	-

There are other companies as well		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2014	Y2013
THAI SUGAR TERMINAL PUBLIC CO., LTD.	TS Flour Mill Public Company Limited	THAI SUGAR TERMINAL PUBLIC CO., LTD. receive dividends from its subsidiaries	19.76	15.81

### 12.1.3 Land Rental for Y2014 Installment ending 31 December 2014, and Y2015 Installment ending 31 December 2015

Lesser	Lessee	Key Item Characteristics	Amount (million baht)	
			Y2014	Y2015
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	Rent land of 11,413.50 square meters to build a bulk warehouse for depository goods.	2.45	7.88
	T S FLOUR MILL PUBLIC CO., LTD.	Rent land of 7,013 square meters to build an office building and a wheat production factory.	5.41	4.38
	T S G ASSET CO., LTD.	Rent land of 520 square meters. Residential building for rent.	1.34	0.22



Lesser	Lessee	Key Item Characteristics	Amount (million baht)	
			Y2014	Y2015
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S G ASSET CO., LTD.	Rent land of 6,000 square meters to build a bulk warehouse for renting.	1.24	2.52
	T S WAREHOUSE CO., LTD.	Rent land of 11,413.50 square meters to build a bulk warehouse for depository goods.	2.45	7.88
	T S FLOUR MILL PUBLIC CO., LTD.	Rent land of 7,013 square meters to build an office building and a wheat production factory.	5.41	4.38
	T S G ASSET CO., LTD.	Rent land of 520 square meters. Residential building for rent.	1.34	0.22
		Rent land of 6,000 square meters to build a bulk warehouse for renting.	1.24	2.52

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.

#### 12.1.4 Loans / Inter-Company Loans between the Company and Subsidiaries, Y2015 Installment ending

31 December 2015

Unit : million baht

Borrower	Lender	Balance Brought Forward	New loans	Repayment	Balance	Paid Interest
		1 <sup>st</sup> Jan 2015	Between Installment	Between Installment	31 <sup>st</sup> Dec 2015	Y2015
THAI SUGAR TERMINAL PUBLIC CO.,	T S WAREHOUSE CO., LTD.	40	50	-	90	0.96
	T S G ASSET CO., LTD.	-	18	8	10	0.11
	T S TRANSPORT AND LOGISTICS CO.,	-	10	10	-	0.03
TS OIL INDUSTRY CO., LTD.	T S WAREHOUSE CO., LTD.	66	-	(63)	3	0.58
	T S G ASSET CO., LTD.	30	-	-	30	0.52
T S TRANSPORT AND LOGISTICS CO., LTD.	T S G ASSET CO., LTD.	13	-	3	10	0.17

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 10 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 percent 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.

#### 12.1.5 Guarantee as of 31<sup>st</sup> December 2014 and 31<sup>st</sup> December 2015

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 <sup>st</sup> Dec 2014	As of 31 <sup>st</sup> Dec 2015	
THAI SUGAR TERMINAL PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	245.27	675.08	To invest additional fund in the wheat factory business. <sup>1/</sup>
T S FLOUR MILL PUBLIC CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	490.75	830.66 76.13	To buy raw materials from overseas To plant wheat <sup>2/</sup>

<sup>1/</sup> In 2012, Thai Sugar Terminal Public Company Limited had a long-term loan from financial institutions, long-term loan of 190 million baht to 181.25 million baht to repay the amount outstanding of 8.75 million baht to buy 82 acres of land area of 13 square meters and a warehouse. The loan of 50 million baht, the company has repaid the principal amount of 31.54 million Baht 18.46 million baht to buy the remaining land area of 13 rai 1 ngan 63 square wah. In the year 2014, the company has long-term loan from a financial institution loan of 200 million baht to repay the principal amount of 60 million baht to 140 baht in 2015, the company has long-term loan from a financial institution for a loan of 380 million baht. During the year the Company had borrowings of 274.87 million baht for investment in port container. The Company has loans with long term facility of 100 million baht to increase the capital in a subsidiary, the Company has short-term loans from financial institutions in the form of a promissory note in the amount of 133 million baht to build a warehouse and the Company as guarantor of payment

<sup>2/</sup> T S FLOUR MILL PUBLIC CO., LTD. The short term loans from financial institutions in the form of trust receipts and letters of credit totaling 480.66 million baht and promissory contract spend 350 million baht to buy raw wheat and the Company's long term-loan from financial institutions of 76.13 million baht to expand the production capacity of the plant wheat by TS Flour Mill PUBLIC CO., LTD. is. Guarantee repayment.

### **12.2 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 2014 and 2013, 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 2014 and 2013.

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 2012 and 2013, and suggests that those items are normal business arrangements, which are necessary and reasonable for the maximization of the Company's benefits.

### **12.3 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.

### **12.4 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.

**13. Important financial information****Financial Status and Performance****13.1 Financial Statement****13.1.1 Summary of Auditor Report****1) Auditor**

In 2013	Ms. Praphasri Leelasupa CPA No. 4664 SAM NAK-NGAN A.M.C. Co.,Ltd.
In 2014	Ms. Praphasri Leelasupa CPA No. 4664 SAM NAK-NGAN A.M.C. Co.,Ltd.
In 2015	Mr.Narit Saovalaksakul CPA. No.5369 SAM NAK-NGAN A.M.C. Co.,Ltd.

**2) The audit report of the auditor within 3 years ago**

In 2013	Auditors have audited the financial statements give unconditional Company and its subsidiaries have adopted Accounting Standard No.12 of income tax compliance is the first consolidated and separate financial statements for the years ended 31 December 2012 and the statement of financial position and consolidated statements of financial position as at January 1, 2012 comparative information has been restated to show as a result of the use of the new standard.
In 2014	The auditors have audited the financial statements of the opinion expressed an unqualified opinion.
In 2015	The auditors have audited the financial statements of the opinion expressed an unqualified opinion.



## 13.1.2 Summary of financial statement

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

**For the year ended December 31, 2013 to December 31, 2015**

Unit : Thousand Baht

Balance Sheets				Audited					
				2013	%	2014	%	2015	%
<b>Assets</b>									
Cash and cash equivalent items				70,073	2.63	65,988	2.19	180,833	4.45
Trade accounts				208,698	7.83	201,462	6.67	231,003	5.68
Current portion of long-term investment				-	-	-	-		-
Inventories				373,845	14.02	253,667	8.40	704,413	17.33
Real estate development cost				99,170	3.72	103,375	3.42	129,000	3.17
Other current assets				11,386	0.43	23,388	0.77	24,515	0.60
	Total current assets			763,172	28.62	647,879	21.46	1,269,764	31.24
Non-current assets				-	-	-	-	-	-
Investments in subsidiary companies				-	-	-	-	-	-
Long-term loan				3,691	0.14	4,220	0.14	2,373	0.06
Investment Property				290,379	10.89	193,594	6.41	188,346	4.63
Property, plant and equipment-net				1,559,061	58.46	2,166,185	71.75	2,583,046	63.55
Deposit received from assets				37,064	1.39	-	-	12,756	0.31
Deferred tax assets				9,529	0.36	4,485	0.15	1,825	0.04
Non-current assets				3,931	0.15	2,769	0.09	6,646	0.16
	Total non-current assets			1,903,655	71.38	2,371,253	78.54	2,794,992	68.76
	Total assets			2,666,827	100.00	3,019,132	100.00	4,064,756	100.00
<b>Liabilities</b>					-		-		
Overdrafts and Short-term loans from financial institutions				451,278	16.92	188,693	6.25	963,656	23.71
Trade accounts payable				98,107	3.68	116,319	3.85	135,362	3.33
Portion of long-term debt due within one year.				75,460	2.83	196,660	6.51	155,710	3.83
	Accrued income tax payable			8,617	0.32	21,853	0.72	12,442	0.31
	Accrued discounts payable			-	-	-	-	-	-
	Long-term lease			1,717	0.06	1,792	0.06	5,090	0.13
	Other current liabilities			8,972	0.34	13,346	0.44	13,145	0.32
	Total current liabilities			644,151	24.15	538,663	17.84	1,285,405	31.62
Long-term loans				87,587	3.28	350,669	11.61	462,505	11.38
Long-term lease obligations - net				6,138	0.23	4,346	0.14	1,363	0.03
Deposit received from warehouse and land rental				19,681	0.74	19,654	0.65	19,758	0.49
Liabilities for employee benefits				18,007	0.68	12,177	0.40	16,993	0.42
Deferred tax liabilities				117,725	4.41	120,595	3.99	124,976	3.07
Other non-current liabilities				113	0.00	97	0.00	89	0.00
	Total non-current liabilities			249,252	9.35	507,538	16.81	625,684	15.39
	Total liabilities			893,403	33.50	1,046,201	34.65	1,911,089	47.02
<b>Shareholders' equity</b>					-		-		
Authorized share capital				145,200	5.44	145,200	4.81	145,200	3.57
Issued and paid-up share capital				145,200	5.44	145,200	4.81	145,200	3.57
Other components of equity shares.				573,673	21.51	574,102	19.02	574,550	14.13
Retained earnings					-		-		
	Appropriated : Legal reserve			14,520	0.54	14,520	0.48	14,520	0.36
	Unappropriated			773,977	29.02	946,302	31.34	1,015,375	24.98
	Total shareholders' equity of the company			1,507,369	56.52	1,680,124	55.65	1,749,645	43.04
	Minority shareholders' equity			266,054	9.98	292,807	9.70	404,022	9.94
	Total shareholders' equity			1,773,423	66.50	1,972,931	65.35	2,153,667	52.98
	Total liabilities and shareholders' equity			2,666,827	100.00	3,019,132	100.00	4,064,756	100.00



**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED**  
**SEPARATE BALANCE SHEETS**

**For the year ended December 31,2013 to December 31, 2015**

Unit : Thousand Baht

Balance Sheets				Audited					
				2013	%	2014	%	2015	%
<b>Assets</b>									
Cash and cash equivalent items				8,324	0.68	12,205	0.55	10,508	0.49
Trade accounts receivable-net				5,387	0.62	22,851	0.35	6,959	0.33
Short-term loans to subsidiaries				-	-	-	-	-	-
Real estate development cost				99,170	1.56	103,374	6.52	129,000	6.03
Other current assets				2,250	0.07	2,578	0.15	1,436	0.07
<b>Total current assets</b>				115,130	2.93	141,008	7.57	147,903	6.91
Non-current assets									
Investments in subsidiaries				805,741	54.12	805,741	52.96	1,199,192	56.07
Long-term loans to related parties.				-	-	-	-	-	-
Long-term loan				3,199	0.24	3,732	0.21	1,889	0.09
Investment Property				223,045	17.87	319,997	14.66	399,770	18.69
Property, plant and equipment-net				361,849	24.56	366,344	23.78	378,214	17.68
Deposit assets				7,255	-	-	0.48	-	-
Other non-current assets				5,268	0.27	8,054	0.35	11,934	0.56
<b>Total non-current assets</b>				1,406,356	97.07	1,503,868	92.43	1,990,999	93.09
<b>Total assets</b>				1,521,486	100.00	1,644,876	100.00	2,138,902	100.00
<b>Liabilities</b>									
Overdrafts and Short-term loans from financial institutions				100,000	6.72	68,000	6.57	133,000	6.22
Trade accounts payable				15,424	0.83	34,190	1.01	22,779	1.06
Trade accounts payable subsidiary				-	-	-	-	-	-
The long-term debt due within one year				57,460	3.86	97,460	3.78	83,710	3.91
Accrued income tax payable				-	0.10	6,925	-	2,556	0.12
Accrued discounts payable				9,531	0.99	-	-	-	-
Long-term lease				1,086	0.07	1,125	0.07	3,817	0.18
Other current liabilities				1,458	0.09	2,954	0.10	3,103	0.15
<b>Total current liabilities</b>				184,959	12.65	210,654	12.16	248,965	11.64
Long-term loans from subsidiaries				25,000	-	40,000	1.64	100,000	4.68
Long-term loans from financial institutions				84,670	9.55	79,810	5.56	458,371	21.43
Long-term lease obligations - net				4,491	0.37	3,366	0.30	655	0.03
Liabilities for employee benefits				11,954	0.79	7,603	0.79	9,240	0.43
Deposit and rent a warehouse and land				7,129	0.36	13,917	0.47	14,975	0.70
Deferred tax liabilities				54,596	4.11	57,476	3.59	58,649	2.74
<b>Total non-current liabilities</b>				187,840	15.19	202,172	12.35	641,890	30.01
<b>Total liabilities</b>				372,799	27.84	412,826	24.50	890,855	41.65
<b>Shareholders' equity</b>									
Authorized share capital				145,200	8.87	145,200	9.54	145,200	6.79
Issued and paid-up share capital				145,200	8.87	145,200	9.54	145,200	6.79
Other components of equity shares.				223,716	14.47	224,145	14.70	224,594	10.50
Retained earnings				-	-	-	-	-	-
Appropriated : Legal reserve				14,520	0.89	14,520	0.95	14,520	0.68
Unappropriated				765,251	47.93	848,185	50.30	863,733	40.38
<b>Total shareholders' equity</b>				1,148,687	72.16	1,232,050	75.50	1,248,047	58.35
<b>Total liabilities and shareholders' equity</b>				1,521,486	100.00	1,644,876	100.00	2,138,902	100.00

**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**
**CONSOLIDATED STATEMENTS OF INCOME**
**For the year ended December 31, 2013 to December 31, 2015**

Unit : Thousand Baht

Consolidated profit (loss)		Audited					
		2013	%	2014	%	2015	%
Revenue from services							
	Revenue from services	324,792	12.90	410,195	26.15	342,066	20.45
	Income from real estate	2,150	0.09	-	-	-	-
	Revenue from the sale	2,189,983	87.01	1,158,728	73.85	1,330,374	79.55
	Total revenue from operations	2,516,926	100.00	1,568,923	100.00	1,672,440	100.00
The cost of the operation			-		-		
	Cost of services	141,903	5.64	167,039	10.65	145,549	8.70
	Cost of real estate	2,029	0.08	-	-	-	-
	Cost of sales	2,073,502	82.38	972,539	61.99	1,147,964	68.64
	Total cost of operations	2,217,434	88.10	1,139,578	72.63	1,293,513	77.34
Margins		299,492	11.90	429,345	27.37	378,927	22.66
Income compensation from the insurance company		-	-	-	-	-	-
Dividend income		36	0.00	67	0.00	25	0.00
Other income		10,945	0.43	28,891	1.84	29,316	1.75
The cost of sales		(44,821)	(1.78)	(30,044)	(1.91)	(32,991)	(1.97)
The cost of administration		(134,187)	(5.33)	(108,368)	(6.91)	(127,110)	(7.60)
Loss of material damage by fire		-	0.00	-	0.00	-	-
Financial costs		(41,720)	(1.66)	(21,067)	(1.34)	(39,279)	(2.35)
Profit before income tax		89,744	3.57	298,824	19.05	208,888	12.49
Corporate income tax		(26,951)	(1.07)	(56,162)	(3.58)	(42,632)	(2.55)
Net profit		62,794	2.49	242,662	15.47	166,256	9.94
					-		
<b>Income</b>					-		
	Attributable to shareholders of the parent company	37,653	1.50	207,173	13.20	144,762	8.66
	Attributable to the non-controlling interests of subsidiaries	25,141	1.00	35,489	2.26	21,494	1.29
<b>Net profit</b>		62,794	2.49	242,662	15.47	166,256	9.94
Profits per partner at the company's shareholders (Baht)		0.13		0.71		0.50	
Number of shares (thousand shares)		290,400		290,400		290,400	



**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED**

**Separate Statements of Income**

**For the year ended December 31, 2013 to December 31, 2015**

Unit : Thousand Baht

Consolidated profit (loss)		Audited					
		2013	%	2014	%	2015	%
Revenue from services							
	Revenue from services	211,058	100.00	258,994	100.00	221,884	100.00
	Total revenue from operations	211,058	100.00	258,994	100.00	221,884	100.00
The cost of the operation							
	Cost of services	73,901	35.01	86,695	33.47	68,602	30.92
	Total cost of operations	73,901	35.01	86,695	33.47	68,602	30.92
Margins		137,157	64.99	172,299	66.53	153,282	69.08
Dividend income		29,681	14.06	19,831	7.66	15,835	7.14
Other income		3,653	1.73	9,761	3.77	8,480	3.82
The cost of sales		(549)	(0.26)	(610)	(0.24)	(597)	(0.27)
The cost of administration		(42,153)	(19.97)	(47,187)	(18.22)	(52,482)	(23.65)
Financial costs		(12,374)	(5.86)	(11,831)	(4.57)	(16,160)	(7.28)
Profit before income tax		115,415	54.68	142,263	54.93	108,358	48.84
Corporate income tax		(17,547)	(8.31)	(24,481)	(9.45)	(18,512)	(8.34)
Net profit		97,868	46.37	117,782	45.48	89,846	40.49
Profits per partner at the company's shareholders (Baht)		0.34		0.41		0.31	
Number of shares (thousand shares)		290,400		290,400		290,400	


**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**
**CONSOLIDATED STATEMENTS OF CASH FLOW**
**For the year ended December 31, 2013 to December 31, 2015**

Unit : Thousand Baht

Descriptions	Audited		
	2013	2014	2015
<b>Cash flows from operating activities</b>			
Net profit before tax	89,745	298,824	208,888
Adjustments to reconcile net income to net cash provided. (Used in) operating activities			
Dividend income	(36)	(67)	(25)
Income compensation from the insurance company	-	-	-
Loss of material damage by fire	-	-	-
Cost is higher than the loss of net worth to get	(76,153)	(361)	572
Loss of value of property development costs down.	-	(2,693)	-
Amortization of bond premium	7	7	7
Gain on disposal of other investments	266	-	(299.00)
Doubtful. (Reversal)	17,331	(6,699)	(2,416)
Depreciation	64,964	67,511	87,401
(Gain) loss on sale of assets and dismantled	(794)	(68)	(30)
Loss on impairment of investment property (Reversal)	-	-	-
Loss on impairment of property, plant and equipment	-	-	-
Loss on disposal of intangible assets	-	1,363	-
Liabilities for employee benefits	1,029	1,012	2,706
(Gain) loss on foreign exchange did not occur	515	145	888
Provisions on night duty. (Reversal)	7,209	(5,997)	-
Profits from the actuarial techniques	-	-	-
Interest	(2,519)	(1,353)	(670)
Expenses	41,027	20,608	38,794
<b>Profit from operations before changes in operating assets and liabilities</b>	<b>142,589</b>	<b>372,232</b>	<b>335,816</b>
<b>Operating assets (increase) decrease.</b>			
Accounts and notes receivable	62,187	13,933	(27,118)
Inventories	869,068	120,539	(451,318)
Property development costs	(7,913)	(1,511)	(25,626)
Current assets	(1,765)	(12,001)	(1,127)
Deposits assets	(37,064)	-	-
Other non-current assets	913	854	(3,877)
<b>Liabilities increase (decrease)</b>			
Trade accounts payable	(277,241)	20,766	(2,349)
Other current liabilities	(4,920)	4,375	(202)
Deposits received from rental of a warehouse and land	18,807	(27)	104
Obligation for employee benefits	(2,057)	(6,842)	(2,800)
Other non-current liabilities	(1,233)	(17)	(7)
Cash provided by (used in) operating activities.	761,372	512,301	(178,504)
Interest	2,721	1,353	663
Expenses	(42,180)	(20,977)	(38,368)
Pay income tax	(37,894)	(35,120)	(44,132)
<b>Net cash provided by (used in) operating activities</b>	<b>684,019</b>	<b>457,557</b>	<b>(260,341)</b>

**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES****CONSOLIDATED STATEMENTS OF CASH FLOW (CONT.)****For the year ended December 31, 2013 to December 31, 2015**

Unit : Thousand Baht

Descriptions	Audited		
	2013	2014	2015
<b>Cash flows from investing activities</b>			
Proceeds from dividends	36	67	25
Proceeds from redemption of long-term investment	1,775	-	5,346
Cash paid for investments in other long-term investments	(1,881)	-	(2,646)
Buy Investment Property	-	(28,955)	0
Purchase of property, plant and equipment	(67,569)	(501,470)	(467,313)
Proceeds from sale of fixed assets	-	(8,032)	(4,994)
Cash received from sale of assets	1,803	1,463	324
Cash paid for deposit for assets	-	-	(12,756.00)
Cash paid to other payable-purchase of assets	-	-	(3,638.00)
Cash paid for purchase intangible assets	-	(1,055)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(65,837)</b>	<b>(537,982)</b>	<b>(485,652)</b>
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term loans from financial institutions	(591,757)	(262,641)	774,568
Increase (decrease) in short-term loans from other parties	-	-	-
Charges payable for the property	(10,417)	-	-
The long-term loans from financial institutions	20,917	486,542	513,745
Repayment of long-term loans from financial institutions	(57,460)	(102,260)	(442,860)
Repayment of long-term lease	(1,635)	(1,717)	(2,576)
Dividends	(31,680)	(34,848)	(72,600)
Pay dividends to stakeholders who have the power to control the subsidiary	(13,103)	(8,736)	(6,989)
Proceeds from the equity that has no power to control the subsidiary	-	-	97,549.00
<b>Net cash provided by (used in) financing activities</b>	<b>(685,135)</b>	<b>76,340</b>	<b>860,837</b>
<b>Cash and cash equivalents Increase (decrease) in net</b>	<b>(66,952)</b>	<b>(4,085)</b>	<b>114,844</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>137,025</b>	<b>70,073</b>	<b>65,988</b>
<b>Cash and cash equivalents at end of period</b>	<b>70,073</b>	<b>65,988</b>	<b>180,832</b>





**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED**  
**SEPARATE STATEMENTS OF CASH FLOW**  
**For the year ended December 31, 2013 to December 31, 2015**

Unit : Thousand Baht

Descriptions	Audited		
	2013	2014	2015
<b><u>Cash flows from operating activities</u></b>			
Net profit before tax	115,415	142,262	108,358
Adjustments to reconcile net income to net cash provided. (Used in) operating activities			
Dividend income	(29,681)	(19,831)	(15,835)
Loss of value of property development costs down	-	(2,694)	-
Bond premium amortization	3	3	3
Gain on disposal of other investments	266	-	(299)
Depreciation	9,371	11,638	15,597
(Gain) loss on sale of assets and dismantled	-	-	
Liabilities for employee benefits	773	743	1,434
Profits from the actuarial techniques	-	-	
Interest	(179)	(94)	(120)
Expenses	12,374	11,831	16,157
<b>Profit from operations before changes in operating assets and liabilities</b>	<b>108,341</b>	<b>143,858</b>	<b>125,295</b>
<b><u>Operating assets (increase) decrease.</u></b>			
Accounts and notes receivable	3,891	(17,464)	15,892
Property development costs	(9,942)	(1,511)	(25,626)
Current assets	(1,210)	(328)	1,143
Deposits assets	(7,255)	-	-
Other non-current assets	(1,144)	(2,332)	(3,881)
<b><u>Liabilities increase (decrease)</u></b>			
Accounts payable	(7,495)	5,662	(13,683)
Deposits received from rental of warehouses and land	1,712	6,788	1,058
Obligation for employee benefits	(532)	(5,094)	(1,919)
Other non-current liabilities	105	1,496	148
Cash provided by (used in) operating activities.	86,471	131,075	98,427
Interest paid	178	94	120
Expenses	(12,284)	(11,896)	(15,632)
Income tax paid	(17,259)	(14,783)	(21,395)
<b>Net cash provided by (used in) operating activities</b>	<b>57,105</b>	<b>104,490</b>	<b>61,520</b>



**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED**  
**SEPARATE STATEMENTS OF CASH FLOW (CONT.)**  
**For the year ended December 31, 2013 to December 31, 2015**

Unit : Thousand Baht

Descriptions		Audited		
		2013	2014	2015
<b>Cash flows from investing activities</b>				
	Increase (decrease) in short-term loans to related parties.	-	-	
	Proceeds from capital in its subsidiaries	-	-	
	Cash paid for investments in subsidiaries	-	-	(393,451 )
	Proceeds from dividends	29,681	19,831	15,835
	Proceeds from sales of other long-term investment.	1,345	-	5,346
	Cash paid for investments in the long term	(1,386 )	-	(2,646 )
	Cash paid for long-term loans to related companies	-	-	
	Proceeds from repayment of long-term loans to related companies	25,000	-	
	Buy Investment Property	(22,091 )	(92,939 )	(36,270 )
	Purchase of property, plant and equipment	(1,170 )	(9,119 )	(67,014 )
	Proceeds from sale of fixed assets		(134 )	(325 )
	Acquisition of computer software	-	(454 )	-
	Cash paid for purchase of intangible assets.	(115)	-	-
<b>Net cash provided by (used in) investing activities</b>		31,263	(82,815 )	(478,525 )
<b>Cash flows from financing activities</b>				
	Increase (decrease) in short-term loans from financial institutions	-	(32,000 )	65,000
	Cash received from long-term loan from related parties	-	52,000	68,000
	Cash received from long-term loan from related parties			
	Cash paid for long-term loan from related parties	(57,460 )	(37,000 )	(8,000 )
	Cash received from long-term loans from financial institutions	-	112,600	462,271
	Cash paid for long-term loan from financial institutions	-	(77,460 )	(97,460 )
	Cash paid for liabilities under long-term lease contracts	(1,037 )	(1,086 )	(1,902 )
	Dividends	(31,680 )	(34,848 )	(72,600 )
<b>Net cash provided by (used in) financing activities</b>		(90,177 )	(17,794 )	415,309
<b>Cash and cash equivalents Increase (decrease) in net</b>		(1,809 )	3,881	(1,696 )
<b>Cash and cash equivalents at beginning of period</b>		10,132	8,324	12,205
<b>Cash and cash equivalents at end of period</b>		8,323	12,205	10,509

### 13.1.3 Keys Financial Ratio

Financial ratios		Unit	Audited		
			2013	2014	2015
<b><u>Liquidity Ratio</u></b>					
	Liquidity Ratio	Times	1.18	1.20	0.99
	Quick Liquidity Ratio	Times	0.43	0.50	0.32
	Cash Flow Liquidity Ratio	Times	0.64	0.77	(0.29 )
	Account Receivable Ratio	Times	10.12	7.65	7.73
	Average Collection Period	Days	36.04	47.72	47.22
	Inventory Turnover	Times	2.88	3.63	2.70
	Average sale time	Days	126.74	100.56	135.19
	Account Payable Ratio	Times	9.40	10.63	10.28
	Account Payble period	Days	38.83	34.34	35.51
	Cash Conversion Cycle	Days	123.95	113.94	146.90
<b><u>Profitability Ratio</u></b>					
	Gross Profit Margin	%	11.90	27.37	22.66
	Operating Profit Margin	%	5.20	18.54	13.08
	Other Profit Margin	%	0.43	1.85	1.75
	Cash on Profit Ratio	%	567.73	157.27	(118.97 )
	Net Profit Margin	%	2.48	15.19	9.77
	Return On Equity	%	3.56	12.95	8.06
<b><u>Effeciency Ratio</u></b>					
	Return On Asset	%	2.02	8.54	4.69
	Return On Fixed Assets	%	6.66	14.51	9.82
	Assets Turnover	Times	0.81	0.56	0.48
<b><u>Financial Ratio</u></b>					
	Debt/Equity Ratio	Times	0.50	0.53	0.89
	Interest Coverage Ratio	Times	18.12	24.49	(4.64)
	The dividend payout ratio	%	50.45	14.36	43.67
	Dividend per share	Baht	0.11	0.12	0.25
	Net profit per partner is a shareholder of the Company	Baht	0.26	0.71	0.50
	Book value per share	Baht	6.11	6.79	7.42

Financial Statement Ratio		Unit	Audited		
			2013	2014	2015
<b>Liquidity Ratio</b>					
	Liquidity Ratio	Times	0.62	0.67	0.59
	Quick Liquidity Ratio	Times	0.07	0.17	0.07
	Cash Flow Liquidity Ratio	Times	0.31	0.53	0.27
	Account Receivable Ratio	Times	28.79	18.34	14.89
	Average Collection Period	Days	12.68	19.91	24.52
	Account Payable Ratio	Times	2.84	2.93	2.41
	Account Payable period	Days	128.53	124.58	151.46
	Cash Conversion Cycle	Days	(115.85)	(104.67)	(126.94)
<b>Profitability Ratio</b>					
	Gross Profit Margin	%	64.99	66.53	69.08
	Operating Profit Margin	%	44.75	48.07	45.16
	Other Profit Margin	%	15.79	11.43	10.96
	Cash on Profit Ratio	%	60.46	83.93	61.40
	Net Profit Margin	%	40.05	40.81	36.49
	Return On Equity	%	8.81	9.89	7.25
<b>Efficiency Ratio</b>					
	Return On Asset	%	6.50	7.44	4.75
	Return On Fixed Assets	%	15.25	8.89	6.03
	Assets Turnover	Times	0.32	0.18	0.13
<b>Financial Ratio</b>					
	Debt/Equity Ratio	Times	0.32	0.34	0.71
	Interest Coverage Ratio	Times	7.05	11.03	7.71
	The dividend payout ratio	%	32.37	29.59	80.80
	Dividend per share	Baht	0.11	0.12	0.25
	Net earnings per share	Baht	0.67	0.41	0.31
	Book value per share	Baht	3.96	4.24	4.30

**14. Analysis and description of the management****14.1 Explanation and Analysis of Financial Status and Business Performance****14.1.1 Overview of Recent Performance**

In 2015, the company had total revenues of 1,701.78 million baht, a increase in 2014, of 103.90 million baht or increase 6.50 per cent, Mainly due to revenue from sales of wheat flour increased last year.

In 2015, the revenue structure of the Company has changed as compared to the previous year. The total revenue of 1,701.78 million baht consisted of revenue from sales of wheat flour of 1,273.10 million baht, or equivalent to 74.81 percent, revenue from transfer and service fees of 154.40 million baht, or 9.07 percent, revenue from depository service of 104.71 million baht, or 6.15 percent, revenue from sales of plastic sacks of 57.27 million baht, or 3.37 percent, revenue from warehouse rental of 73.93 million baht or 4.34 percent, income from rental room of 9.03 million baht or 0.53 per cent and other revenues totaling 29.34 million baht or 1.72 percent and total revenue in 2015 compared to the year 2014 increased by 103.90 million baht or 6.50 percent net profit in 2015 compared to the year 2014, the Company had total net income in 2015 of 144.76 million baht in 2014 of 207.17 million baht, a decrease of 62.41 million baht, down 30.13 percent key factors, net income decreased. is revenue cargo warehousing and revenue declined from a year ago.

For the fiscal year 2015 the Company reported net profit of 89.85 million baht compared with a year ago, the net income of 117.78 million baht, an decrease of 27.94 million baht, an decrease of 23.72 because in 2015 The Company's service revenue cargo dropped from last year's number of 35.77 million baht or 14.33 percent.

### 14.1.2 Analysis of Business Performance

Unit : Thousand Baht

Revenue structure classified by business type	2013		2014		2015	
	Amount	%	Amount	%	Amount	%
<b>Service Business</b>						
Transfer and Service Business	162,003	6.41	190,173	11.90	154,396	9.07
Depository Business	77,397	3.06	139,596	8.74	104,715	6.15
Warehouse Rental Business	49,963	1.98	70,976	4.44	73,928	4.34
Apartment Rental Business	9,328	0.37	9,450	0.59	9,026	0.53
<b>Total of Service Business</b>	<b>298,691</b>	<b>11.82</b>	<b>410,195</b>	<b>25.67</b>	<b>342,065</b>	<b>20.10</b>
<b>Sale of Goods Business</b>						
Wheat Flour Factory Business	1,106,881	43.79	1,093,929	68.46	1,273,099	74.81
Palm Oil Factory Business	1,058,910	41.89	-	-	-	-
Plastic Sack Factory Business	49,843	1.97	64,799	4.06	57,275	3.37
<b>Total of Sale of Goods Business</b>	<b>2,215,634</b>	<b>87.65</b>	<b>1,158,728</b>	<b>72.52</b>	<b>1,330,374</b>	<b>78.18</b>
<b>Sale of Real Estate Business</b>	<b>2,150</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Revenues</b>						
Profits from Foreign Exchange	1,725	0.07	-	-	5	0.00
Revenue	9,706	0.38	28,959	1.81	29,336	1.72
<b>Other Revenue</b>	<b>11,431</b>	<b>0.45</b>	<b>28,959</b>	<b>1.81</b>	<b>29,341</b>	<b>1.72</b>
<b>Total Other Revenues</b>	<b>2,527,906</b>	<b>100.00</b>	<b>1,597,882</b>	<b>100.00</b>	<b>1,701,780</b>	<b>100.00</b>

**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	2013	2014	2015
Raw sugar (BULK)	388,351.93	443,510.12	272,702.94
White sugar	253,593.60	381,910.50	405,850.90
Total sugar	641,945.53	825,420.62	678,553.84
Molasses	85,041.66	13,302.78	0.00
<b>Total Exports</b>	<b>726,987.19</b>	<b>838,723.40</b>	<b>678,553.84</b>

The table shows that the volume of sugar exports in 2013 amounted to 6.42 metric ton in the year 2014 amounted to 8.25 metric ton in the year 2015 amounted to 6.78 metric ton compared to three years, in 2015, sugar output an increase over 2013 of 36,608.31 tons, up 5.70 percent from last year but down 1.47 million tonnes, or a decrease of 17.79 percent and molasses export volume in 2013 of 0.85 metric ton, In the year 2014 of 0.13 metric ton ,In 2015, and no amount of molasses exports. Since the amount of molasses added services continued to decline management. It should be considered that the molasses tank to another rental company, which has a higher return.

So, in 2015, the company had revenue handling and service of 154.40 million baht, In 2014 of 190 million baht, and in 2013 of 162 million baht, compared with three last year found that in 2015 revenues decreased from last year 2014 of 35.78 million baht, up 18.81 percent.

### Depository Service

Unit: Metric ton

Import Volume	2013	2014	2014
Raw sugar (BULK)	385,187.50	432,151.46	302,953.25
White sugar	384,768.35	455,986.70	338,358.45
<b>Total sugar</b>	<b>769,955.85</b>	<b>888,138.16</b>	<b>641,311.70</b>
Molasses	89,328.50	6,003.60	0.00
<b>Total Import</b>	<b>859,284.40</b>	<b>894,141.76</b>	<b>641,311.70</b>

The table shows that the amount of sugar into service in 2013 amounted to 7.70 metric ton , In the year 2014 amounted to 8.88 metric ton, In year 2015 amounted to 6.41 metric ton compared to three years, In 2015 the amount of sugar come to decline from the year 2013 of 1.28 metric ton, a decrease of 16.71 and a decrease from the year 2014 of 2.47 metric ton,

a decrease of 27.79 and volume of molasses into service in 2013 amounted to 0.89 metric ton, In the year 2014 with a total of 6 thousand tons in the year 2015 and not to use the service.

So, in 2015, revenues warehousing of 104.72 million baht. In 2014 amounted to 139.60 million baht, and in 2013 amounted to 77.40 million baht, compared with last year found that in 2015, revenues decreased. from the year 2014 of Baht 34.88 million or a decrease of 24.99 percent.

#### **Rental of warehouse / Factory**

In 2015, the company has a subsidiary warehousing both sacks and bulk sugar storage is waiting for delivery to overseas buyers and leased to the business, whether it is for business flour mill and factory woven sacks and a subsidiary of the other companies for production of palm oil as a result, in 2015 the Company's revenues from renting warehouses and factories 73.93 million baht, an increase of 2.95 million baht from the year 2014, representing an increase of 4.16 percent

#### **Room Rental Business**

The Company owns a 262 room building, located in Soi Erawan Sing Thor, Phuchao-Samingphray Road, Samrongtai Sub-district, Phrapadaeng District, Samutr Prakarn Province, for general letting In 2015, the average number of residential customers with 253 rooms, a 98.44 per cent and the company is building 45 rooms located on Soi Siam silos. Poochaosamingprai Road Samrong Tai Prapadaeng. Samut Prakan province, where in 2015 a residential customer in full.

As a result, the Company's residential rental income in 2015 of 9.03 billion baht, down from 0.42 billion baht the year 2014, representing 4.49 per cent.

#### **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 2015, the Company recognized revenue from the sale of wheat flour of 1,273 million baht, representing 74.81 of total revenues, compared to the year 2014, the revenue from the sale of wheat flour of 1,093.93 million baht, an increase of 16.38 million baht, due to the expansion of production capacity increases.



**Plant sack**

The company is a manufacturer and distributor of plastic woven sacks for the industry, including flour, sugar plants, entrepreneurs and small, including rice, ice, sand.

In 2015, revenues from the sale of plastic sack of 57.27 million baht, representing 3.37 percent of total revenues, compared to year 2014, revenues from the sale of 64.80 million baht, a decrease of 7.52 million baht. 11.61 percent due to the impact of oil prices on world markets fell steadily made of plastic material decline As a result, sales decreased sacks as well.

**Gross Profit**

In 2015, the Company had gross profit of 378.93 million baht, In 2014 with a total of 429.35 million baht, and in 2013 a total of 299.49 million baht in a profit margin increased from year 2014 of 50.42 million baht, an decrease of 11.74 and an increase of Baht 79.43 million in 2013, or increase of 26.52 percent, The reason for the company's gross profit in 2015 increased from 2013 But decreased in 2014 due to the Company revenue from cargo handling services warehousing and service revenues decreased from the year 2014.

**Net Profit**

In 2015, the company had a net profit of 144.76 million baht in 2014 to 207.17 million baht and in 2013 to 37.65 million baht as compared to the year 2014, net profit decreased by 62.41 million baht, an decrease of 30.13 per sent and increased from 2012 the number increased from 107.11 million baht, an increase of 284.46 percent.

**Liquidity and Source of Funds**

During the years 2013 to 2015 the company had a current ratio of 1.18 times, 1.20 times and 0.99 times, respectively, in 2015, the Company had a current ratio decreased from the year 2014 and a decrease from the year 2013 the Company had current assets of 1,269.76 million baht, consisting of cash and cash equivalents of Baht 180.83 million, 231.00 million, trade receivables of Baht 704.41 million baht inventories of real estate development cost 129 million Baht 24.52 million, other current assets and current liabilities of Baht 1,285.41 million baht Consisting of short-term loans from financial institutions - financial Baht 963.66 million due to the purchase of raw wheat from abroad trade payables of Baht 135.36 million and loans due within one year amounted to 155.71 million Baht 30.68 million Baht in other current liabilities.

During the years 2013 to 2015, the company has a retention period, the average 36.04 days, 47.72 days and 47.22 respectively for a period of debt repayment average 38.83 days, 34.34 days and 35.51 days, respectively, and cash cycle in 2013 was 123.95 days. year 2014 was 113.94 and in 2015 was 146.90 days, although management control providing credit to customers and accelerate the debt collection faster

## Cash Flows

**Table: Summary of Cash Flows**

Unit: Thousand baht

	2013	2014	2014
Net cash received (used in) from operational activities	684,019	457,557	(260,341)
Net cash received (used in) from investment activities	(65,837)	(537,982)	(485,652)
Net cash received (used in) from financing activities	(685,135)	76,340	860,837
Cash and cash equivalents – net increase (decrease)	(66,952)	(4,085)	114,844
Ending cash and cash equivalents	70,073	65,988	180,832

In 2015, the Company had cash from operating activities 260.34 million baht, cash used in investing activities 485.65 million baht and cash in financing activities was 860.84 million baht, The company in cash and cash equivalents increased by 114.84 million baht. The company had cash and cash equivalents at end of year 2015 of 180.83 million baht, cash used in investing activities primarily of the acquired assets include improvement warehouse, purchase of machinery and equipment, including improvements to expand capacity building flour, cash provided by financing activities primarily of loans from financial institutions.

## Source of Funds

In 2015, the Company and its subsidiaries have an overdraft facility that has not drawn a number of 112 million baht, the Company and its subsidiaries have a limit short-term loans from financial institutions totaling 2,953 million baht withdrawal amounts to 956.43 million baht, the purpose to buy raw wheat, balance is not paid for the number 1,996.57 million baht. The Company and its subsidiaries have a long-term loan from financial institutions 1,455 million Baht , the amount drawn down to 1,246.20 million baht to improve warehouse office building machinery and equipment including improvements to the plant capacity expansion flour and investment in port container.

### 14.1.3 Financial Status

#### Assets

Total assets of the Company and its subsidiaries as of 31 December 2015 amounted to 4,064.76 million baht, an increase of 1,045.62 million baht, or increase of 34.63 percent, as compared with the total assets of 3,019.13 million baht as of the end of 2014. The total assets are divided as follows:

### **Net Land, Buildings, and Equipments and Real estate investment**

As of 31 December 2015, the Company owned the net amount of land, buildings, and equipments amounting to 2,583.05 million baht, or equivalent to 63.55 percent of the total assets increased compared to year end 2014 of 416.86 million baht or 19.24 percent, and real estate investment company has 188.35 million, representing 4.63 percent of total assets, decrease compared to year end 2014, of 5.25 million baht or 2.71 percent, since the year 2015, since the year 2015, the company has improved warehouse and its subsidiary machinery and other equipment including improvements to expand the building capacity flour and a subsidiary to buy equipment and other office buildings in the port container business.

### **Inventory**

As of 31 December 2015, the Company's inventory amounted to 704.41 million baht, or equivalent to 17.33 percent of the total assets such assets consisted of raw materials of 411.63 million baht, work-in-progress of 42.31 million baht, finished goods of 18.48 million baht, supplies of 2.30 million baht, and goods in transit of 230.69 million baht. The Company has made a provision of the cost of a higher net worth to be 1.00 million baht.

### **Account Receivables**

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

Unit: Thousand baht

Item	2013	2014	2015
Account Receivables and Notes Receivable due	99,811	130,886	140,764
Classified by Debt Maturity			
Less than 3 months	68,043	65,647	79,655
More than 3 months – 6 months	7,326	487	3,101
More than 6 months – 9 months	33,870	-	246
More than 9 months	19,824	20,986	14,726
Total	228,874	218,006	238,491
Deduct Allowance for Doubtful Debts	(25,462)	(18,763)	(16,347)
Net	203,412	199,243	222,145

As of 31 December 2015, the Company's account receivables amounted to 222.14 million baht and other receivables of 8.86 million baht, 231 million baht, representing a ratio of 5.68 of total assets, an increase of 29.54 million baht, an increase of 14.66 compared to year-end 2014, due in 2015, its subsidiaries had revenue from sales. increase Receivables have increased as well

### **Liabilities**

Total liabilities of the Company and its subsidiaries as at 31 December 2015 amounted to 1,911.09 million baht, an increase of 864.89 million baht, or increase of 82.67 percent compared to total liabilities of Baht 1,046.20 million at the end of 2014 by dividing total liabilities.

### **Short-term Loans from Financial Institutions**

As of 31 December 2015, the Company's short-term loans from financial institutions amounted to 963.66 million baht, or equivalent to 23.71 percent of the total liabilities. It was an decrease of 774.96 million baht, or an increase of 410.70 percent as compared to the amount at the end of 2014. In 2015, The Company has loan from a financial institution in the form of promissory notes of Baht 100 million to recapitalize the business of wheat flour and a subsidiary had to borrow from financial institutions in the form of promissory notes payable and trust receipts of 830.66 million baht to import raw materials from abroad, the wheat flour used in the production business.

### **Long-term Loans from Financial Institutions**

As of 31 December 2015, the Company's long-term loans from a financial institution amounted to 618.21 million baht, or equivalent to 15.21 percent of the total liabilities. This class is part of the long-term debt due within one year amounted to 155.71 million baht and long-term loan of 462.50 million baht compared to the year 2014 of 547.33 million baht, an increase of 70.88 million baht, an increase of 13.05 percent, because in 2015, The company has upgraded its warehouse office building. The capital increase in port container and its subsidiaries have invested in new machinery and other equipment. Including improvements to the plant capacity expansion flour.

### **Shareholders' Equity**

Shareholders' equity of the Company and its subsidiaries as of 31 December 2015 amounted to 2,153.67 million baht, an increase of 180.74 million baht, or equivalent to 9.16 percent as compared to the amount of 1,972.93 million baht at the end of 2014. The changes are as follows:

- An increase in net profits for the year installment ending 31 December 2015 of 162.78 million baht
- An increase the proportion of shares held in subsidiaries in the same amount of 97.55 million baht;
- Decrease the amount of dividends paid 79.59 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 percent increase of China's export duty to 25 percent 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.



### Details of Company's Directors, Executives, Authorized Person and Corporate Secretary

Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>1. Mr. Pricha Attavipach</b> <b>( Age 78 year)</b> <b>-Chairman</b> <b>-Independent Director</b> <b>Appointment April 30, 2008</b>	- Bachelor Degree of Industrial Engineering, Chulalongkorn University. - Master Degree of Industrial Engineering and Management, Oklahoma State University U.S.A.  1. Thai National Defence College (No.32) 2. Certificate of Finance for Non-Finance Directors (FND 8/2004) 3. Certificate of Director Certification Program (DCP 39/2004) 4. Certificate of Audit Committee Program (ACP 11/2006) 5. Certificate Director Accreditation Program (DAP 107/2014) Thailand Institute of Director (IOD)	0.004%	None	2008 - Present	Chairman of the Board / Independent Director	Thai Sugar Terminal public Company Limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
				2012 - Present	<u>Listed Companies</u> Vice Chairman	Thai Rung Union Car Public Company Limited - Automotive products
				2004 - Present	Chairman of the Nominating and Remuneration Committee Chairman of the Audit Committee Independent Director	
				2008 - Present	Chairman	T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory
				2008 - Present	Chairman	Kasest Thai International Sugar Corporation Public Company Limited - Sugar Manufacturing Factory
				2002 - Present	Independent Director / Audit Committee Director	Siam Cement Public Company Limited - Cement Polymers etc.
					<u>Non - Listed Companies</u>	
				2011 - Present	Chairman	Kasest Thai Bio CO., Ltd.
				2010 - Present	Chairman	S I Properties CO., Ltd.
				2008 - Present	Chairman	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2008 - Present	Chairman	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2008 - Present	Chairman of the Board	Thai Identity Sugar Factory CO., Ltd. - Sugar Manufacturing Factory
				2008 - Present	Chairman of the Board	Ruampol Enterprise Company Limited - Sugar Manufacturing Factory
				2004 - Present	Chairman	Ekaratpattana Co., Ltd. - Production of ethanol
				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. - Paper products factory.
				2001 - Present	Chairman	Chaiyananbangplee Parkland Co., Ltd. - Real estate development to establish industrial zone
				2000 - Present	Chairman	Pan - Paper 1992 Co., Ltd. - Production and distribution Paper products and printing
				2000 - Present	Chairman	Ruamkijaungthong Warehouse Ltd. - Warehouse
				1993 - Present	Director	S.C. Stark Company Limited - Manufacturing industry Pow
					<u>Institutions</u>	
				2009 - Present	Chairman	Industrial Development Foundation - Foundation
				2007 - Present	President of the University Council	Chaopraya University - Education Institute
				2004 - Present	Academic Director	The engineering institute of Thailand under H.M. The king's Patronage (Management systems, occupational health and safety)
				2002 - Present	Executive Director	Committee bill Ministry of Labour - State agency
				2001 - Present	Specialist Senior Engineering (Industrial Engineer)	Council engineers Industrial Engineering - Independent entity
				Present	Chairman	Panchuen ruensiri Lady Foundation - Foundation
				Present	Chairman	Li-ard pamarapa Teacher Foundation - Foundation

Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>2. Mr. Prapas Chutimavoraphand</b> ( Age 78 year) - Chief Executive Board -Chief Executive Officer and Managing Director Appointment December 15, 1999 (Authorized Director)	- Baan Beung Industry School  - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	4.11%	Father of Mr. Chanachai Chutimavoraphand Executive Vice President Nomination Remuneratin Moi	2000 - Present	Chairman of the Board Chief Executive Officer and President	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
				2000 - Present 1976 - Present	Listed Companies Chairman of Executive Board Director and Senior Vice President  Non - Listed Companies Managing Director Senior Vice President Senior Vice President Senior Vice President Director Chairman of Executive Board/ Chief Executive Officer and President	T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory Khon Kaen Sugar Industry Public Company Limited - Sugar Manufacturing Factory  On Nuj Construction Company Limited - Construction and other New Krung Thai Sugar Factory Company Limited - Sugar manufacturing factory Tha Maka Sugar Company Limited - Sugar Manufacturing Factory New Kwang Soon Lee Co., Ltd. - Sugar Manufacturing Factory Para High Tech Company Limited - General and Real estate rental service T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory T S Warehouse Company Limited Subsidiaries - Warehouse Business T S G Asset Company Limited Subsidiaries - General and Real estate rental service T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors Khon Kaen Sugar Power Plant Company Limited - Electric Current manufacturing Bangkok Boutique Hotel (Thailand) Limited. - Hotel business
Mrs. Sumitra Chutimavoraphand		0.77%	(Spouse)	2003 - Present 2004 - Present	Director Director	
<b>3. Mr. Pong Chinthammit</b> ( Age 59 year) -Director -Executive Vice President -Senior Executive Vice President Appointment December 15, 1999 (Authorized Director)	- Bachelor Degree of Science, Industrial Technology, Roger Williams University.  - Certificate of Director Accreditation Program (DAP 10/2004) Thailand Institute of Director (IOD)	0.00%	Uncle of Mr. Win Chinthammit Non-Executive Director	2000 - Present	Executive Vice President/Executive Vice President and and Vice President	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
				2000 - Present  2000 - Present 2000 - Present 2000 - Present	Non - Listed Companies Executive Vice President/Executive Vice President and and Vice President  Senior Executive Vice President Director Senior Executive Vice President	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory T S Warehouse Company Limited Subsidiaries - Warehouse Business T S G Asset Company Limited Subsidiaries - General and Real estate rental service T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors Prachuap Industry Company Limited - Sugar Manufacturing Factory K.S.L. Export Trading Company Limited - Sugar Exporter K.C. Agriculture Company Limited - Agribusiness



Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>4. Mr.Chanachai Chutimavoraphand</b> <b>( Age 44 year)</b> <b>-Director</b> <b>-Executive Vice President</b> <b>-The Nomination and Compensation Committee</b> <b>Appointment June 28, 2000</b> <b>(Authorized Director)</b>	- Bachelor Degree of Engineering, Chulalongkorn University. - Bachelor of Law, Chulalongkorn University. - Master Degree of Engineering, Industrial Engineering, U.S.A. - Master Degree of Business Administration, Tennessee University, U.S.A. - Master Degree of Arts in Business Law Chulalongkorn University  - Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD) - CFA Charter holder, Association for Investment Management and Research (AIMR)	16.65%	Son of Mr.Prapas Chutimavoraphand Chief Execution/ Chief Executive Officer and President	2007 - Present	Executive Vice President	Thai Sugar Terminal Public company limited
				2000 - Present	Executive Director	Nature of business - Product Loading Service - Warehouse Rental and Port Service
					<u>Listed Companies</u>	
				2000 - Present	Executive Director	T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory
				2000 - Present	Vice President Accounting and Finance	Khon Kaen Sugar Industry Public Company Limited - Sugar Manufacturing Factory
					<u>Non - Listed Companies</u>	
				1996 - Present	Director	On Nuj Construction Company Limited - Construction and other
				2000 - Present	Executive Vice President	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2000 - Present	Executive Vice President	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2000 - Present	Executive Vice President	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2000 - Present	Executive Vice President	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors
				2003 - Present	Director	KSL Material Supply Co., Ltd. - raw material supply
				2004 - Present	Director	Khon Kaen Alcohol Company Limited - Ethanol Plant
				2006 - Present	Director	Kohkong sugar Co., Ltd. - Sugar Mill , Cambodia
				2006 - Present	Director	Savannakhet Sugar Corporation - Sugar Manufacturing Factory
				2014 - Present	Director	KSL Real estate Co., Ltd. -Real estate development and training center of KSL
<b>5. Mr. Narong Chenlarpratanakul</b> <b>( Age 50 year)</b> <b>-Director</b> <b>-Executive Director</b> <b>Appointment November 28, 2006</b> <b>(Authorized Director)</b>	- Bachelor Degree of Economics, Thammasat University.  - Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	0.00%	None	2006 - Present	Executive Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
					<u>Listed Companies</u>	
				2011 - Present	Member of Nominating and Remuneration Committee	T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory
				2006 - Present	Executive Director	
					<u>Non - Listed Companies</u>	
				2006 - Present	Executive Director	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2006 - Present	Executive Director	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2006 - Present	Executive Director	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2006 - Present	Executive Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors
				2006 - Present	Executive Director	Mitrkaset Industry Company Limited - Sugar Manufacturing Factory
				1999 - Present	Director	Wattanakul Oxygen Co., Ltd. - oxygen Factory
				2011 - Present	Director	Mitr Kasetr Uthathani Co.,Ltd. - Sugar Manufacturing Factory
				2012 - Present	Director	Uthathani Bio Energy Co.,Ltd. - Power plant Manufacturing Factory



Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>6. Mr. Chalush Chinthammit</b> <b>( Age 47 year)</b> <b>-Director</b> <b>-Non-Executive Director</b> <b>Appointment July 25, 2007</b>	- BBA, Finance and Banking, Assumption University. - MBA, Finance & Banking, Mercer University, U.S.A.  1. Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD) 2. Capital Market Academy Program 10	0.05%	Grandchildren of Mr. Somchai Chinthammit Non-Executive Director	2007 - Present	Executive Director	Thai Sugar Terminal public Company Limited Nature of business   - Product Loading Service - Warehouse Rental and Port Service
				2013 – Present	<u>Listed Companies</u> Executive Director	T S Flour Mill Public Company Limited      Subsidiaries - Wheat Flour Factory
				2007 - Present	Director	
				2004 - Present	Director and Assistant Vice President	Khon Kaen Sugar Industry Public Company Limited      - Sugar Manufacturing Factory
					<u>Non - Listed Companies</u>	
				2007 - Present	Director	T S Warehouse Company Limited      Subsidiaries - Warehouse Business
				2007 - Present	Director	T S G Asset Company Limited      Subsidiaries - General and Real estate rental service
				2007 - Present	Director	T S Oil Industry Company Limited      Subsidiaries - Palm oil refinery Factory
				2007 - Present	Director	T S Transport and Logistics Co., Ltd.      Subsidiaries - Manufactures plastic bags and transport contractors
				2007 - Present	Director	KSL Agro and Trading Company Limited      - Trading
				2006 – Present	Director	Savannakhet Sugar Corporation      - Sugar Manufacturing Factory
				2006 – Present	Director	KohKong Plant Station Co., Ltd.
				2003 - Present	Director	KSL Material Supplies Company Limited      - Raw Material Sourcing
				2003 - Present	Director	Khon Kaen Sugar Power Plant Company Limited      - Electric Current manufacturing
				2003 - Present	Director	Khon Kaen Alcohol Company Limited      - Ethanol and Fertilizer Production
				2002 - Present	Director	K.S.L. Export Trading Company Limited      - Sugar Exporter
				2001 - Present	Director	Thai Sugar Millers Corporation Limited
				1996 - Present	Director	KSL Real Estate Company Limited      - Real Estate Development and Training Center
				1996 - Present	Director	On Nuj Construction Company Limited      - Construction and other
				2004 - Present	Director and Assistant Vice President	Tamaka Sugar Industry Company Limited      - Sugar manufacturing factory
				2004 - Present	Director and Assistant Vice President	New Kwang Soon Lee Sugar Factory Company Limited      - Sugar manufacturing factory
				2004 – Present	Director and Assistant Vice President	New Krung Thai Sugar Factory Company Limited      - Sugar manufacturing factory
					<u>Position in other Organization</u>	
				2003- Present	Director	The Cane and Sugar Act B.E.1984 Committee
				2007- Present	Deputy Secretary General	Thai Sugar and Bio-Energy Producers Association – TSEA



Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>7. Mr. Somchai Chinthammit</b> <b>( Age 64 year)</b>  <b>-Director</b>  <b>-Non-Executive Director</b>  <b>Appointment April 30, 2008</b>	- Computer College, Germany. - Mini MBA , Thammasat University  - Certificate Mini MBA., Thammasat University. - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	0.16%	Uncle of Mr. Chalush Chinthammit Non-Executive Director	2008 - Present	Director	Thai Sugar Terminal public Company Limited  Nature of business    - Product Loading Service  - Warehouse Rental and Port Service
				2011 - Present	<u>Listed Companies</u> Member of Nominating and Remuneration Committee	T S Flour Mill Public Company Limited   Subsidiaries - Wheat Flour Factory
				2008 - Present	Director	
				1980 - Present	Director and Assistant Vice President	Khon Kaen Sugar Industry Public Company Limited   - Sugar Manufacturing Factory
					<u>Non - Listed Companies</u>	
				2008 - Present	Director	T S Warehouse Company Limited   Subsidiaries - Warehouse Business
				2008 - Present	Director	T S G Asset Company Limited   Subsidiaries - General and Real estate rental service
				2008 - Present	Director	T S Oil Industry Company Limited   Subsidiaries - Palm oil refinery Factory
				2008 – Present	Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors
				2004 - Present	Director	Champion Fermentation Company Limited   Glutamic acid, monosodium glutamate production
				2003 - Present	Director	Khon Kaen Alcohol Company Limited   - Ethanol and Fertilizer Production
				2003 - Present	Director	Khon Kaen Sugar Power Plant Company Limited   - Electric Current manufacturing
				1981 - Present	Director	Thai Fermentation Industry Company Limited   - Fermentation Factory
				1980 - Present	Director and Assistant Vice President	Tamaka Sugar Industry Company Limited   - Sugar manufacturing factory
				1980 - Present	Director and Assistant Vice President	New Kwang Soon Lee Sugar Factory Company Limited - Sugar manufacturing factory
				1980 - Present	Director and Assistant Vice President	New Krung Thai Sugar Factory Company Limited - Sugar manufacturing factory
<b>8. Mr. Win Chinthammit</b> <b>( Age 41 year)</b>  <b>-Director</b>  <b>-Non-Executive Director</b>  <b>Appointment November 28, 2006</b> <b>(Authorized director)</b>	- 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 Executive Vice President Executive Vice President and Vice President	2006 - Present	Non-Executive Director	Thai Sugar Terminal Public company limited  Nature of business    - Product Loading Service  - Warehouse Rental and Port Service
				2006 - Present	<u>Non - Listed Companies</u> Director	T S Warehouse Company Limited   Subsidiaries - Warehouse Business
				2006 - Present	Director	T S G Asset Company Limited   Subsidiaries - General and Real estate rental service
				2006 - Present	Director	T S Oil Industry Company Limited   Subsidiaries - Palm oil refinery Factory
				2006 - Present	Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors
				2005 - Present	Executive Vice President	Prachuap Industry Company Limited   - Sugar Manufacturing   Factory
				2005 - Present	Executive	K.C. Agriculture Company Limited   - Agribusiness

Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>9. Mr. Dhanadol Sujiphinyo</b> ( Age 49 year) -Director -Non-Executive Director Appointment April 30, 2008	- Bachelor Degree of Marketing, California State University at San Bernardino (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	Non-Executive Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
				2013 - Present	<u>Listed Companies</u> Executive Director	T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory
				2011 - Present	Member of Nominating and Remuneration Committee	
				2008 - Present	Director	
					<u>Non - Listed Companies</u>	
				2008 - Present	Director	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2008 - Present	Director	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2008 - Present	Director	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2008 - Present	Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors
				1998 - Present	Managing Director	Jomtien Garden Resort Hotel, Pattaya - Business hotel
<b>10. Mr. Chadej Insawang</b> ( Age 69 year) -Director -Chairman of Audit Committee -Independent Director Appointment April 30, 2008	- Master Degree of Political Science Thammasat University. - Bachelor Degree of Law Thammasat University.  - Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD)	0.00%	None	2008 - Present	Chairman of Audit Committee Independent Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
					<u>Non - Listed Companies</u>	
				2008 - Present	Director	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2008 - Present	Director	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2008 - Present	Director	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
<b>11. Mr. Nisakorn Parkpean</b> ( Age 68 year) -Director -Chairman of the Nominating and Remuneration Committee -Member of Audit Committee -Independent Director Appointment April, 2002	- Bachelor Degree of Accounting, Chulalongkorn University.  - Certificate of Director Accreditation Program (DAP 30/2004) Thailand Institute of Director (IOD)	0.14%	None	2008 - Present	Chairman of Nominating and Remuneration Committee Member of Audit Committee Independent Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
					<u>Non - Listed Companies</u>	
				2009 - Present	Director	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2009 - Present	Director	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2009 - Present	Director	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2009 - Present	Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors

Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>12. Mr. Suang Ruangsook</b> ( Age 82 year) -Director - Member of Audit Committee -Independent Director Appointment May 20, 1998  Mrs. Prasertsri Ruangsook	- Advanced Accounting Certificate, Bangkok Business College.  - Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	0.21%      0.06%	None      (Spouse)	2000 - Present	Member of Audit Committee  Independent Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
				2009 - Present	<u>Non - Listed Companies</u> Director	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2009 - Present	Director	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2009 - Present	Director	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2009 - Present	Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors
				1983 - Present	Advisory Director	Eastern Sugar and Cane Public Company Limited - Sugar Manufacturing Factory
				1977 – Present	Director	PDTL Trading Limited Partnership - Electrical Wire Products
<b>13. Ms. Jutatip Arunanondchai</b> ( Age 45 year) -Director -The Nomination and Compensation Committee - Independent Director Appointment December 24, 2008	- 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.  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)	0.04%	None	2009 - Present	Member of Nominating and Remuneration Committee  Independent Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
				2009 - Present	<u>Listed Companies</u> Audit Committee / Independent Director	Union Plastic Public Company Limited - Manufacturing plastic parts
				2009 - Present	<u>Non - Listed Companies</u> Director	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2009 - Present	Director	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2009 - Present	Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors
				2009 - 2012	Director	Chiang Mai Night Bazaar - Shopping Center
				2005 - Present	Executive Director	Ratchaburi Sugar Company Limited and its subsidiaries - Sugar Manufacturing Factory
<b>14. Mr. Supharn Chayovan</b> ( Age 79 year) -Director - Non-Executive Director Appointment April 30, 2009	- 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.  1. Certificate of Director Accreditation Program (DAP 77/2009) 2. Certificate of Director Certificate Program (DCP 112/2009) Thailand Institute of Director (IOD)	0.00%	None	2009 - Present	Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
				2006 - Present	<u>Listed Companies</u> Director	T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory
				2011 - Present	<u>Non - Listed Companies</u> Director	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2009 - Present	Director	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2009 – Present	Director	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2009 - Present	Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors

Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>15. Mr. Charnkrij Dejvitak</b> <b>( Age 42 year)</b> <b>-Director</b> <b>- Executive Director</b> <b>Appointment April 30, 2009</b> <b>(Authorized director)</b> <b>Resignation is effective</b> <b>from 1 Jan 2016</b>	- Master Degree of Business Administration, West Texas A&M University U.S.A. - Master Degree of Field of Leadership Ethics and Good Organization, Saint Edward's University U.S.A. - Philosophy Doctor Degree of Business Administration, Touro University International U.S.A. - Certificate in Management of Capital Market Academy No.15 (CMA.15) - Certificate of Director Accreditation Program (DAP 79/2009) Thailand Institute of Director (IOD) -Certificate in Electronic ecommerce of Texas ,U.S.A. -Seminar Certificate "Customary Commercial and cultural styles America of California ,U.S.A.	0.00%	A son of Mr. Prapas Chutimavoraphand	2009 - Present	Executive Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
				2013 - Present	<u>Listed Companies</u> Vice Chairman of Executive Board	T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory
				2010 - Present	Managing Director	
					<u>Non - Listed Companies</u>	
				2009 - Present	Executive Director	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2009 - Present	Executive Director	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2009 - Present	Executive Director	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2009 - Present	Executive Director	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors
					<u>Postion in other Organization</u>	
				2014 – Present	Promote Director University Expert	Dhonburi Rajabhat University
				2014 – Present	Director	Association of Capital Market Academy
				2014 – Present	Vice Chairman	The Federation industrial of Samutprakan, Food Processing industry
				2015- Present	Secretary	MAI Listed Companies Association
				2013 – 2015	Executive Director	MAI Listed Companies Association
				2014 – Present	Secretary Department Chairman	Capital Market Academy No.15 (CMA.15)
				2014 – Present	Director	The Federation industrial of Thai
				2012 - 2014	Secretary to the Committee	Economic Commission Commerce and industry ,Parliament
				2012 - 2014	Advisory Board	The Federation industrial of Samutprakan

Name - Surname / Position / Date of Appointment	Educational Level /Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
				Period	Position	Name of Organization / Nature of Business
<b>16. Mrs. Yaovanuth Dejvitak</b> ( Age 39 year) <b>-Director</b> <b>-Executive Director</b> <b>Appointment January 1, 2016</b>	- Bachelor of Faculty Commerce and Accountancy ,Finance Thammasat University - Master of Faculty of Business Administration International Management Branch Schiller International University , Switzerland - Master of Faculty of Business Administration,Finance Bentley College , Massachusetts United states During the course Director Accreditation Program Thailand Institute of Director (IOD)	8.17%	Daughter of Mr.Prapas Chutimavoraphand	1 January 2016	Executive Director	Thai Sugar Terminal Public company limited
				- Present		Nature of business - Product Loading Service - Warehouse Rental and Port Service
					<u>Non - Listed Companies</u>	
				2002 - Present	Director / Managing Director	BB Capital Co.,Ltd. - Business, hotel suites
				2002 - Present	Executive Director	On Nuj Construction Company Limited - Construction and other
				2002 - Present	Executive Director	MungKonk Siam Business Co.,Ltd. - Lease and operation of real estate
				2002 - Present	Executive Director	Para Hitec Co.,Ltd. - General and Real estate rental service
<b>17. Mr. Siriporn Sirisap</b> ( Age 33 year) <b>Corporate Secretary</b> <b>Appointment October 31, 2014</b>	-Master of Public Administration , -Master of Business Administration Ramkhamhaeng University Corporate Secretary Development Program (September 2008) Thai Listed Companies Association	0.00%	None	2014- Present	Corporate Secretary	Thai Sugar Terminal Public company limited
				2014- Present	Secretary to Board of Audit Committee	Nature of business - Product Loading Service
				2014- Present	Secretary to the Member of Nominating and	- Warehouse Rental and Port Service
				2014- Present	Remuneration Committee	
					<u>Non - Listed Companies</u>	
				2014- Present	Secretary to the Board of Directors	T S Warehouse Company Limited Subsidiaries - Warehouse Business
				2014- Present	Secretary to the Board of Directors	T S G Asset Company Limited Subsidiaries - General and Real estate rental service
				2014- Present	Secretary to the Board of Directors	T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory
				2014- Present	Secretary to the Board of Directors	T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors

**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 <sup>3</sup>	TSGA <sup>4</sup>	TS OIL <sup>5</sup>	TSTL <sup>6</sup>
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 Chenlarpwatanakul	O	O	O	O	O	O
6	Mr. Chadej Insawang	ID AC		/	/	/	/
7	Mr. Nisakorn Parkpean	ID AC		/	/	/	/
8	Mr. Suang Ruangsook	ID AC		/	/	/	/
9	Mr. Chalush Chinthammit	/	O	/	/	/	/
10	Mr. Win Chinthammit	/		/	/	/	/
11	Mr. Somchai Chinthammit	/	/	/	/	/	/
12	Mr. Dhanadol Sujiphinyo	/	O	/	/	/	/
13	Ms. Jutatip Arunanondchai	/ ID			/	/	/
14	Dr. Suphsorn Chayowan	/	/	/	/	/	/
15	Dr. Charnkrij Dejvitak *		O				
16	Mrs. Yaovanuth Dejvitak	O		O	O	O	O
17	Mr. Somchai Wanawit		ID AC				
18	Mr. Chalermchai Wongwaiwit		ID AC				
19	Mr. Anek Khamchum		ID AC				
20	Ms. Arraya Arunanondchai			/			

<b>Note</b>	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

- Thai Sugar Terminal Public Company Limited is directors. The position of director of subsidiary references 3-6 not paid in cash and non-monetary.

- T S Flour Mill Public Company Limited is directors receive a monthly remuneration.

- \* Dr. Charnkrij Dejvitak as Executive Director and Managing Director at T S Flour Mill Public Company Limited receive salary in Managing Director and Executive , Resignation is TSTE , TSW , TSGA , TS OIL and TSTL effective from 1 Jan 2016



**Report on The Board of Director's responsibility for financial statement**

The Board of Directors of Thai Sugar Terminal Public Company Limited is responsible for the separated financial statement and consolidated financial statement of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards, with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosure and transparency of important information have been made in the notes to the financial statements. Both separated financial statement and consolidated financial statement have been audited by independent certified auditors who have given their unqualified opinions. The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to be responsible for reviewing separated financial statement and consolidated financial statement, including evaluating the efficiency and the competence of internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is of the opinion that the Company's internal control system and the internal audit can reasonably assure the creditability of the separated financial statement and consolidated financial statement of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries for the year ended December 31, 2015, the statement of financial position, the operating results, and cash flows accurately according to generally accepted accounting principles.



Pricha Attavipach

Prapas Chutimavoraphand

Chairman

Chief Executive Officer and President

**Details on the Head of Internal Auditors and supervisors oversee the operations of the company (compliance)****Miss. Korakot Wanasawat****Age 36 Year old****Education**

- Bachelor of Applied Science Computer Science, King Mongkut's University of Technology North Bangkok
- Bachelor of Business Administration, Accounting, Ramkhamhaeng University

**Certificate**

- certification auditors of Thailand (CPIAT)

**Training**

- COSO 2013 training course in theory and practice
- IT Audit Program of the FAP
- certification auditors CPIATX
- Maintain and improve the quality of internal audit of the agency
- On a self-evaluation of measures against corrupt
- Evaluation financial accounting system

**Employment**

Position Senior Manager of Dharmniti Auditing Co.,Ltd

Experience in internal audit for a period of 12 years

**Address**

Dharmniti Auditing Co.,Ltd.

267/1 Pracharat Road, Sai 1

Bangsue, Bangkok 10800

Telephone 0-2587-8080

Fax. 0-2585-2018

E-Mail [internalaudit@dharmniti.co.th](mailto:internalaudit@dharmniti.co.th)

Website <http://www.dharmniti.co.th>



**Details on the valuation list**

- None -

## **Part 2**

**Thai Sugar Terminal Public Company Limited**  
**The consolidated and separate financial statement**  
**For the year ended December 31,2015**



## **AUDITOR'S REPORT**

To the Shareholders of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and also of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED, respectively which comprise the consolidated and the separate statements of financial positions as at December 31, 2015, and the related consolidated and the separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated and the separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and the separate financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**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 position of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and also of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED, as at December 31, 2015, and of their consolidated and the separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Other matter**

The accompanying consolidated and separate statements of financial position for the year ended December 2014 of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiaries and also of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED for the year ended December 2014 respectively, which presented for comparative information purposes, were audited by another auditor in the same audit firm, who expressed an unqualified opinion on those financial statement in her report date February 26, 2015.

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



(Mr. Naris Saowalagsakul)

Certified Public Accountant (Thailand) Registration No. 5369

Bangkok,  
February 25, 2016

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2015

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements	
		December 31, 2015	December 31, 2014	January 1, 2014	December 31, 2015	December 31, 2014
			(Restated)	(Restated)		
<u>Assets</u>						
Current assets						
Cash and cash equivalent items	7	180,833,186	65,987,515	70,072,989	10,508,089	12,205,050
Trade and other receivables	6, 1 and 8	231,003,164	201,462,427	208,697,856	6,959,568	22,851,324
Inventories	9	704,412,731	253,667,051	373,844,932	-	-
Real estate development cost	10	129,000,460	103,374,476	99,169,869	129,000,460	103,374,476
Other current assets		24,515,293	23,388,138	11,386,640	1,435,521	2,578,060
Total current assets		1,269,764,834	647,879,607	763,172,286	147,903,638	141,008,910
Non-current assets						
Other long-term investments	11	2,372,818	4,220,371	3,691,412	1,888,816	3,732,260
Investments in subsidiary companies	12	-	-	-	1,199,191,794	805,740,734
Investment properties	13	188,345,706	193,594,014	290,379,144	399,770,039	319,996,403
Property, plant and equipment	14	2,583,046,079	2,166,184,953	1,559,061,526	378,213,662	366,344,260
Deposit for assets		12,756,175	-	37,063,800	-	-
Deferred tax assets	21	1,825,112	4,484,405	9,528,616	-	-
Other non-current assets		6,645,844	2,768,883	3,930,711	11,934,500	8,053,463
Total non-current assets		2,794,991,734	2,371,252,626	1,903,655,209	1,990,998,811	1,503,867,120
Total assets		4,064,756,568	3,019,132,233	2,666,827,495	2,138,902,449	1,644,876,030

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, 2015

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements	
		December 31, 2015	December 31, 2014	January 1, 2014	December 31, 2015	December 31, 2014
			(Restated)	(Restated)		
<u>Liabilities and shareholders' equity</u>						
Current liabilities						
Short-term loans from financial institutions	16	963,656,014	188,693,277	451,277,611	133,000,000	68,000,000
Trade and other payables	6.1 and 17	135,362,210	116,318,613	98,107,438	22,778,838	34,190,015
Current portion of long-term loans						
Long-term loans from financial institutions	18	155,710,000	196,660,000	75,460,000	83,710,000	97,460,000
Liabilities under long-term lease contract	19	5,089,644	1,791,898	1,717,292	3,817,366	1,124,855
Accrued income tax payable		12,442,299	21,852,952	8,617,350	2,555,761	6,924,826
Other current liabilities		13,144,656	13,346,474	8,971,681	3,102,751	2,954,350
Total current liabilities		1,285,404,823	538,663,214	644,151,372	248,964,716	210,654,046
Non-current liabilities						
Long-term loans from related parties	6.1	-	-	-	100,000,000	40,000,000
Long-term loans from financial institutions	18	462,504,735	350,669,105	87,586,585	458,371,200	79,810,000
Liabilities under long-term lease contract	19	1,362,684	4,346,305	6,138,208	654,977	3,366,188
Deposit received from warehouse and land rental		19,757,551	19,653,953	19,681,353	14,974,940	13,917,066
Employee benefit obligations	20	16,993,351	12,176,863	18,007,243	9,239,984	7,602,610
Deferred tax liabilities	21	124,976,442	120,594,866	117,725,175	58,649,218	57,476,222
Other non-current liabilities		89,650	96,651	113,450	-	-
Total non-current liabilities		625,684,413	507,537,743	249,252,009	641,890,319	202,172,086
Total liabilities		1,911,089,236	1,046,200,957	893,403,381	890,855,035	412,826,132

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, 2015

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements	
		December 31, 2015	December 31, 2014	January 1, 2014	December 31, 2015	December 31, 2014
		(Restated)	(Restated)			
Shareholders' equity						
Share capital	22					
Authorized share capital						
290,399,934 ordinary shares @ Baht 0.50 each		145,199,967	-	-	145,199,967	-
145,199,967 ordinary shares @ Baht 1.00 each		-	145,199,967	145,199,967	-	145,199,967
Issued and paid-up share capital						
290,399,858 ordinary shares @ Baht 0.50 each		145,199,929	-	-	145,199,929	-
145,199,929 ordinary shares @ Baht 1.00 each		-	145,199,929	145,199,929	-	145,199,929
Retained earnings						
Appropriated						
Legal reserve	23	14,520,000	14,520,000	14,520,000	14,520,000	14,520,000
Unappropriated		1,015,374,698	946,302,375	773,977,220	863,733,297	848,184,533
Other components of shareholders' equity		574,550,290	574,101,538	573,672,530	224,594,188	224,145,436
Total shareholders' equity of the Company		1,749,644,917	1,680,123,842	1,507,369,679	1,248,047,414	1,232,049,898
Non-controlling interests of subsidiaries		404,022,415	292,807,434	266,054,435	-	-
Total shareholders' equity		2,153,667,332	1,972,931,276	1,773,424,114	1,248,047,414	1,232,049,898
Total liabilities and shareholders' equity		4,064,756,568	3,019,132,233	2,666,827,495	2,138,902,449	1,644,876,030

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, 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	Notes	2015	2015	2014
		(Restated)		
Revenues from operation				
Revenue from sales		1,330,373,935	1,158,727,642	-
Revenue from services		342,065,857	410,195,176	221,883,579
Total revenues from operation		1,672,439,792	1,568,922,818	258,993,956
Cost from operation				
Cost of sales		(1,147,964,158)	(972,538,936)	-
Cost of services		(145,548,544)	(167,038,649)	(68,601,772)
Total cost from operation		(1,293,512,702)	(1,139,577,585)	(86,695,358)
Gross profit		378,927,090	429,345,233	153,281,807
Other income		29,316,002	28,891,472	8,479,626
Dividend income		24,934	67,295	15,835,582
Selling and service expenses		(32,990,741)	(30,044,220)	(596,673)
Administrative expenses		(127,110,439)	(108,368,343)	(52,482,183)
Finance cost		(39,278,648)	(21,067,166)	(16,160,324)
Profit before income tax		208,888,198	298,824,271	108,357,835
Income tax expenses	27	(42,632,085)	(56,162,444)	(18,511,796)
Profit for the year		166,256,113	242,661,827	89,846,039
Profit attributable to :				
Shareholders of the Company		144,762,300	207,173,138	89,846,039
Non-controlling interests of the subsidiaries		21,493,813	35,488,689	-
		166,256,113	242,661,827	117,781,424
Basic earnings per share	28	0.50	0.71	0.31

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, 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(Restated)			
Profit for the year	166,256,113	242,661,827	89,846,039	117,781,424
Other comprehensive income for the year				
Item that will not be reclassified to profit or loss				
Actuarial losses arising from defined benefit plan	(4,910,560)	-	(2,121,637)	-
Income tax relevance with other comprehensive income	982,112	-	424,327	-
Item that may be reclassified subsequently to profit or loss				
Change in fair value of available - for - sale securities	(301,252)	536,260	(301,252)	536,260
Gain from change in fair value from sale				
of available - for - sale securities	1,161,000	-	1,161,000	-
Reclassified change in fair value of available - for - sale securities				
to gain on sale	(298,808)	-	(298,808)	-
Income tax relevance with other comprehensive income	(112,188)	(107,252)	(112,188)	(107,252)
Other comprehensive income for the year	(3,479,696)	429,008	(1,248,558)	429,008
Total comprehensive income for the year	162,776,417	243,090,835	88,597,481	118,210,432
Total comprehensive income attributable to :				
Shareholders of the Company	142,121,040	207,602,146	88,597,481	118,210,432
Non-controlling interests of the subsidiaries	20,655,377	35,488,689	-	-
Total comprehensive income for the year	162,776,417	243,090,835	88,597,481	118,210,432

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, 2015  
Consolidated financial statements

(Unit : Baht)

		Other components of shareholders' equity										
				Other items from								
				Other comprehensive income		changes in shareholders		Total				
				Change in	Capital surplus	Change in	other					
		Issued and	Retained earnings	fair value of	from revaluation	shareholding ratio	components of		Total	Non-	Total	
		paid-up	Appropriated	investment	of land	in subsidiary companies	shareholders'		shareholders'	controlling	shareholders'	
Notes	share capital	legal reserve	Unappropriated	available for sale		under common control	equity		equity	interests	equity	
Balances as at January 1, 2014 (previously reported)		145,199,929	14,520,000	780,798,617	(1,322,401)	468,261,222	106,733,709	573,672,530	1,514,191,076	267,088,482	1,781,279,558	
The effect of correction of errors	3	-	-	(6,821,397)	-	-	-	-	(6,821,397)	(1,034,047)	(7,855,444)	
Balances as at January 1, 2014 (restated)		145,199,929	14,520,000	773,977,220	(1,322,401)	468,261,222	106,733,709	573,672,530	1,507,369,679	266,054,435	1,773,424,114	
Profit for the year		-	-	207,173,138	-	-	-	-	207,173,138	35,488,689	242,661,827	
Other comprehensive income for the year		-	-	-	429,008	-	-	429,008	429,008	-	429,008	
Total comprehensive income for the year		-	-	207,173,138	429,008	-	-	429,008	207,602,146	35,488,689	243,090,835	
Dividend payment	24	-	-	(34,847,983)	-	-	-	-	(34,847,983)	-	(34,847,983)	
Dividend payment of non-controlling interests of subsidiary		-	-	-	-	-	-	-	-	(8,735,690)	(8,735,690)	
Balance as at December 31, 2014 (restated)		145,199,929	14,520,000	946,302,375	(893,393)	468,261,222	106,733,709	574,101,538	1,680,123,842	292,807,434	1,972,931,276	
Profit for the year		-	-	144,762,300	-	-	-	-	144,762,300	21,493,813	166,256,113	
Other comprehensive income for the year		-	-	(3,090,012)	448,752	-	-	448,752	(2,641,260)	(838,436)	(3,479,696)	
Total comprehensive income for the year		-	-	141,672,288	448,752	-	-	448,752	142,121,040	20,655,377	162,776,417	
Non-controlling interest of subsidiary companies increase		-	-	-	-	-	-	-	-	97,548,940	97,548,940	
Dividend payment of non-controlling interest of subsidiary		-	-	-	-	-	-	-	-	(6,989,336)	(6,989,336)	
Dividend payment	24	-	-	(72,599,965)	-	-	-	-	(72,599,965)	-	(72,599,965)	
Balance as at December 31, 2015		145,199,929	14,520,000	1,015,374,698	(444,641)	468,261,222	106,733,709	574,550,290	1,749,644,917	404,022,415	2,153,667,332	

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, 2015**

**Separate financial statements**

**(Unit : Baht)**

				Other components of shareholders' equity			
				Other comprehensive income		Total	
				Change in	Capital surplus	other	
				fair value of	from	components of	Total
				investment	revaluation	shareholders'	shareholders'
Notes	Issued and paid-up share capital	Retained earnings Appropriated legal reserve	Unappropriated	available for sale	of land	equity	equity
Balance as at January 1, 2014	145,199,929	14,520,000	765,251,092	(1,322,401)	225,038,829	223,716,428	1,148,687,449
Profit for the year	-	-	117,781,424	-	-	-	117,781,424
Other comprehensive income for the year	-	-	-	429,008	-	429,008	429,008
Total comprehensive income for the year	-	-	117,781,424	429,008	-	429,008	118,210,432
Dividend Payment	24	-	(34,847,983)	-	-	-	(34,847,983)
Balance as at December 31, 2014	145,199,929	14,520,000	848,184,533	(893,393)	225,038,829	224,145,436	1,232,049,898
Profit for the year	-	-	89,846,039	-	-	-	89,846,039
Other comprehensive income for the year	-	-	(1,697,310)	448,752	-	448,752	(1,248,558)
Total comprehensive income for the year	-	-	88,148,729	448,752	-	448,752	88,597,481
Dividend Payment	24	-	(72,599,965)	-	-	-	(72,599,965)
Balance as at December 31, 2015	145,199,929	14,520,000	863,733,297	(444,641)	225,038,829	224,594,188	1,248,047,414

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

THAISUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the Year ended December 31, 2015

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
Cash flow from operating activities				
Profit before income tax	208,888,198	298,824,271	108,357,835	142,262,374
Adjustments to reconcile profit for cash received (used) from operations				
Doubtful debt (reversal)	(2,416,045)	(6,698,822)	-	-
Loss from declining value of inventories (reversal)	572,188	(361,103)	-	-
Loss from declining value of real estate development cost (reversal)	-	(2,693,700)	-	(2,693,700)
Amortization of premium on bonds	7,301	7,301	3,192	3,193
Gain from disposed available-for-sale investments	(298,808)	-	(298,808)	-
Depreciation	87,400,977	67,510,828	15,597,050	11,637,855
Gain (loss) from assets disposal	(30,099)	(68,053)	3	-
Loss from written-off intangible assets	-	1,362,889	-	-
Unrealized loss from exchange rate	888,409	145,281	-	-
Reversal of liabilities of return duties	-	(5,996,628)	-	-
Employee benefits expenses	2,705,691	1,012,001	1,434,502	742,668
Dividend incomes	(24,934)	(67,295)	(15,835,582)	(19,830,605)
Interest income	(669,713)	(1,352,938)	(119,886)	(94,320)
Interest expenses	38,793,416	20,608,092	16,157,131	11,831,139
Profit from operation before changes in operating assets and liabilities	335,816,581	372,232,124	125,295,437	143,858,604
Operating assets (increase) decrease				
Trade and other receivables	(27,118,476)	13,933,638	15,891,756	(17,464,356)
Inventories	(451,317,868)	120,538,984	-	-
Real estate development cost	(25,625,984)	(1,510,907)	(25,625,984)	(1,510,907)
Other current assets	(1,127,155)	(12,001,498)	1,142,539	(328,110)
Other non-current assets	(3,876,961)	853,716	(3,881,037)	(2,332,096)
Operating liabilities increase (decrease)				
Trade and other payables	(2,349,288)	20,766,115	(13,682,760)	5,662,260
Other current liabilities	(201,819)	4,374,793	148,401	1,496,033
Deposit received from warehouse and land rental	103,598	(27,400)	1,057,874	6,787,919
Employee benefit obligations	(2,799,763)	(6,842,381)	(1,918,765)	(5,093,893)
Other non-current liabilities	(7,001)	(16,799)	-	-
Cash received (used) from operating activities	(178,504,136)	512,300,385	98,427,461	131,075,454
Interest received	663,497	1,353,552	119,886	94,320
Interest paid	(38,367,576)	(20,977,477)	(15,631,998)	(11,895,931)
Income tax paid	(44,131,945)	(35,120,193)	(21,395,726)	(14,783,216)
Net cash received from (used in) operating activities	(260,340,160)	457,556,267	61,519,623	104,490,627

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, 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(Restated)			
Cash flow from investing activities				
Cash received from dividend incomes	24,934	67,295	15,835,582	19,830,605
Cash received from redemption of other long-term investments	5,346,000	-	5,346,000	-
Cash paid for purchase investment in other long-term investments	(2,646,000)	-	(2,646,000)	-
Cash paid for investment in subsidiary company	-	-	(393,451,060)	-
Cash paid for purchase investment properties	-	(28,955,059)	(36,270,331)	(92,939,063)
Cash paid for purchase property, plant and equipment	(467,312,926)	(501,470,694)	(67,014,047)	(9,118,711)
Cash paid for interest expense include in cost of assets	(4,993,718)	(8,032,128)	(325,475)	(134,350)
Cash received from sale of assets	324,340	1,463,397	-	-
Cash paid for purchase intangible assets	-	(1,054,777)	-	(453,818)
Cash paid for deposit for assets	(12,756,175)	-	-	-
Cash paid to other payable-purchase of assets	(3,637,905)	-	-	-
Net cash used in from investing activities	(485,651,450)	(537,981,966)	(478,525,331)	(82,815,337)
Cash flow from financing activities				
Increase (decrease) in short-term loan from financial institutions	774,568,175	(262,641,330)	65,000,000	(32,000,000)
Cash received from long-term loan from related parties	-	-	68,000,000	52,000,000
Cash paid for long-term loan from related parties	-	-	(8,000,000)	(37,000,000)
Cash received from long-term loans from financial institutions	513,745,630	486,542,520	462,271,200	112,600,000
Cash paid for long-term loan from financial institutions	(442,860,000)	(102,260,000)	(97,460,000)	(77,460,000)
Cash paid for liabilities under long-term lease contracts	(2,576,163)	(1,717,292)	(1,902,488)	(1,085,868)
Dividend paid	(72,599,965)	(34,847,983)	(72,599,965)	(34,847,983)
Dividend paid for non-controlling of subsidiary company	(6,989,336)	(8,735,690)	-	-
Cash received from incremental of share capital from non-controlling interests of subsidiary company	97,548,940	-	-	-
Net cash received from (used in) from financing activities	860,837,281	76,340,225	415,308,747	(17,793,851)
Cash and cash equivalent items increase(decrease)-net	114,845,671	(4,085,474)	(1,696,961)	3,881,439
Cash and cash equivalent items at the beginning of the year	65,987,515	70,072,989	12,205,050	8,323,611
Cash and cash equivalent items at the end of the year	180,833,186	65,987,515	10,508,089	12,205,050

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, 2015

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
Additional disclosure :				
Significant non-cash items in the consolidated and the separate financial statements are as follows :-				
- Unrealized gain (loss) from available-for-sale securities	(301,252)	536,260	(301,252)	536,260
- Transferred other components of shareholders' equity to gain				
from sale of available - for - sale securities	862,192	-	862,192	-
- Purchases of investmet properties which had not yet been paid	-	-	1,988,506	3,637,905
- Purchases of property, plant and equipment which had not yet been paid	24,209,956	3,637,905	-	-
- Purchases of asset under long-term lease contract	2,890,288	-	1,641,732	-
- Transferred investment properties to property, plant and equipment	-	127,640,997	-	579,753
- Transferred property, plant and equipment to investment properties	-	390,166	49,638,394	-
- Transferred deposit for assets to investment properties	-	7,255,250	-	7,255,250
- Transferred deposit for machines to property,plant and equipment	-	29,808,550	-	-
- Recognized deferred tax assets (liabilities) with other components of shareholders' equity	982,112	107,252	312,139	107,252

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



**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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1. General information

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

The Company and subsidiary (collectively called “the Group”) 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. 4.1.

The Company is a subsidiary of Khon Kaen Sugar Industry Public Co., Ltd. (KSL) which holds 23.82% of the Company’s shares and has a joint-control of the Company and is located at 503 K.S.L. Tower, 9<sup>th</sup> Floor, Sriyudahya Road, Ratchathewi, Bangkok and its factory is located at 43 Moo 10, Tambon Namphong, Amphur Namphong, Khonkaen Province. The main business of the Company is to manufacture and distribute sugar and molasses. However since November 1, 2015 KSL has adopted TFRS10 “Consolidated Financial Statements” which the management of KSL has assessed whether KSL has control over the Company and determined that KSL has no control over the Company. As a result, the Company deemed to be associated company while formerly consider to a subsidiary.

2. Basis of financial statement preparation

2.1 The financial statements are issued for reporting purposes to be used in Thailand 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 principles 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 of financial statements is 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 New financial reporting standards

2.2.1 New and revised TFRS that became effective in the current period

During the year, the Group adopted a number of new and revised Thai financial reports standards (TFRS) and interpretations, issued by the FAP, that is effective for fiscal years beginning on or after January 1, 2015, as listed below.

Reference standard No.

Name

Thai Accounting Standards (TAS)

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS) (continue)</u>	
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 4 (revised 2014)	Insurance Contracts
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
<u>Thai Accounting Standard Interpretations (TSIC)</u>	
TSIC 10 (revised 2014)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases-Incentives
TSIC 25 (revised 2014)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs

<u>Reference standard No.</u>	<u>Name</u>
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Thai Financial Reporting interpretations (TFRIC)(continue)

TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies (Revised 2014)
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Revised 2014)
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

2.2.2 New and revised financial reporting standards not yet effective

The Federation of Accounting Professions has published new and revised accounting standards, financial reporting standards, interpretations accounting standards, interpretations financial reporting standards and accounting practices that are mandatory for annual periods beginning on or after January 1, 2016. The Group has not yet early adopted these new and revised financial reporting standards which are as follows:

<u>Reference standard No.</u>	<u>Name</u>
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The Conceptual financial Reporting Standards (revised 2015)

Thai Accounting Standards (TAS)

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts

Reference standard No.NameThai Accounting Standards (TAS) (continue)

TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

Thai Financial Reporting Standards (TFRS)

TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement

Reference standard No.NameThai Accounting Standard Interpretations (TSIC)

TSIC 10 (revised 2015)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases-Incentives
TSIC 25 (revised 2015)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue-Barter Transactions involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs

Thai Financial Reporting Interpretations (TFRIC)

TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under IAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmer
TFRIC 14 (revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirement Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

The management of the Group believes that above financial reporting standards will not have any significant impact on the financial statements in the year of initial application.

- 2.4 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 recognized in the period in which estimates are revised and in any future periods affected. The significant estimates and assumptions 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 diminution in value of inventories

Allowances for diminution in the value of inventory accounts are intended to adjust the value of inventory for probable credit losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, taking into account the current situation with respect to sales of inventory items, on a specific basis. However, the use of different estimates and assumptions could affect the amounts of allowance for diminution in value of inventory in the future.

#### 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 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.

### Deferred tax assets

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

### Estimate on employee benefit obligations

Provisions for post employment benefits are calculated by actuarial techniques, of which assumptions consist of discount rate, salary increment rate, turnover rate and related demographic factors. To indicate discount rate, the management considers interest rate reflecting present economic situation. However, actual post employment benefits may differ from the estimates.

### Litigation

The Group have contingent liabilities as a result of the litigation. The management has used judgment to assess of the results of the litigation and believes that no significant loss will be resulted. Therefore no contingent liabilities are recorded as at the end of reporting period.

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

### 3. Correction of errors

The Group had correction of errors from under recorded of deferred tax liabilities and depreciation of investment property. The Group correction of error by retrospective adjusted the consolidated financial statements, presented herein for comparison, which the effect can be summaries are as follows:-

(Unit : Baht)

	Consolidated financial statements		
	Before adjusted	Adjusted	After adjusted
Statement of financial position as at January 1, 2014			
Investment properties	290,874,724	(495,580)	290,379,144
Deferred tax liabilities	(100,836,695)	(7,359,864)	(108,196,559)
Unappropriated retained earnings	(780,798,617)	6,821,397	(773,977,220)
Non-controlling interests	(267,088,482)	1,034,047	(266,054,435)

(Unit : Baht)



Consolidated financial statements

	Before adjusted	Adjusted	After adjusted
Statement of financial position as at December 31, 2014			
Investment properties	320,260,322	(665,017)	319,595,305
Deferred tax liabilities	(102,278,048)	(13,832,413)	(116,110,461)
Unappropriated Retained earnings	(959,444,183)	13,141,808	(946,302,375)
Non-controlling interests	(294,163,056)	1,355,622	(292,807,434)
Statement of income			
For the year ended December 31, 2014			
Cost of services	166,869,211	169,438	167,038,649
Income tax expenses	49,689,896	6,472,548	56,162,444
Profit attributable to :			
- Shareholders of the Company	213,493,549	(6,320,411)	207,173,138
- Non-controlling interest of subsidiary companies	35,810,264	(321,575)	35,488,689
Earnings per share (Baht/Share)	0.74	0.03	0.71

4. Basis of the consolidated financial statements preparation

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

	<u>Percentage of shareholding</u>		<u>Incorporated in</u>	<u>Type of business</u>
	<u>2015</u>	<u>2014</u>		
T S G ASSET CO., LTD.	79.78	79.78	Thailand	Property rental
T S OIL INDUSTRY CO., LTD.	97.16	97.16	Thailand	Property purchase, sales, rental and Development and palm oil extracting operation (At present, provide palm oil refinery for rent instead of produce and distribute)
T S FLOUR MILL PUBLIC CO., LTD.	69.34	69.34	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 security services.

- 4.2 Subsidiaries are fully consolidated as from being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- 4.3 The financial statements of subsidiaries are prepared using the same significant accounting policies as the Company.
- 4.4 The accounting periods of subsidiary companies ended the same date as the Company.
- 4.5 Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
5. Summary of significant accounting policies
- 5.1. Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.
- 5.2. Trade and other receivables are stated at their invoice value less allowance for doubtful accounts. Allowance for doubtful accounts is assessed primarily on analysis of payment history and future expectations of customer payment from the uncollectability of each account receivable. Bad debts are written off when incurred.
- 5.3. 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). Cost is calculation as follows :
- Raw materials, supplies and factory supplies calculated by using first in-first out method, except palm oil material which is calculated by using the weighted average method.
  - Goods in process and finished goods of wheat flour and polypropylene bags using the first in-first out method.
  - Work-in-process and finished goods of palm oil is calculated 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.

5.4 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.

## 5.5 Investment

- 5.5.1 Investments in subsidiary companies in the separate financial statements are recorded under the cost method less allowance for impairment and recognition the change in the investment in profit or loss when the investment is disposed or the impairment of the investment incurred.
- 5.5.2 Investments 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 reporting period and recognized the change in value in the statements of comprehensive income, while profit or loss will be recognized when these investments are sold or impaired in value, the recognition will be made through the statements of income. The cost of the disposed investment is calculated by the weighted average method.
- 5.5.3 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 impairment (if any). The Group amortized premium/discount over value of debt instruments using the straight-line method and the amortized amount will be included in the profit or loss.
- 5.5.4 General investments are non-marketable equity instruments, shown at cost less allowance for impairment (if any) and change in value of general investments is recognised in profit or loss when they are sold or impaired.

5.6 Investment properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. The Group recorded the initial value of the investment properties at cost. Afterward, the Group 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 less its residual value on the straight-line basis over the estimated useful life as follows :-

- Building, building improvements	16-72	years
- Land improvement	30	years
- Roads	5	years
- Ports	20	years

The depreciation of the investment properties is included in the calculation for the operating result. No depreciation is calculated for investment properties in case of land and work in process.

The Group recognises 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.

5.7 Land is stated at the revalued amount less allowance for impairment of asset (if any). The revalued amount is the fair value determined on the basis of the market price at the date of revaluation. Plant and equipment are stated at cost less accumulated depreciation and the allowance for impairment of asset (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Revaluation is performed by independent professional appraisers, which the Company has the policy that the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the statement of financial position date. Increase from appraisal value will be recorded directly to the other comprehensive income, and decrease from cost recorded as loss from decrease in revaluation of assets in profit or loss.

The depreciation of plant and equipment is calculated from cost less its residual value on the straight-line basis over the estimated useful life as follows :-

- Building, building improvements and construction	4-70	years
- Land leasehold improvement	30	years
- Roads	5, 10 and 30	years
- Ports	13-45	years
- Machines and equipment	5-30	years
- Motor vehicle	5-20	years

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 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 recognized when the said asset is derecognized from the account.

5.8 Intangible assets are shown at cost less by accumulated amortized expense and allowance for impairment (if any) of that asset. Amortization is calculated over the cost of the asset less its residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:-

- Accounting software	10	years
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- 5.9 Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss. When a sale and leaseback results in a finance lease, any gain on the sale is deferred and recognized as income over the lease term. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which the termination takes place.

- 5.10 Impairment of Assets: the carrying amounts of the Group's assets are reviewed at each financial reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

The recoverable amount of other assets is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

- 5.11 Trade and other accounts payable are stated at cost.
- 5.12 Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest basis.

5.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits (Defined contribution plans)

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognized as expenses in profit or loss in the period in which they arise.

Post-employment benefits (Defined benefit plans)

The Group have obligations in respect of the severance payments, they must make to employees upon retirement under labor law and the Group's retirement rules. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans is determined by a professionally qualified actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income in the period in which they arise.

- 5.14 Provision is recognized in the statements of financial position when the Group have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

- 5.15 Change in shareholding ratio in subsidiary companies under common control is the difference between the investment for change in proportion in subsidiaries and book value of the subsidiaries resulted from the change in proportion of investment in that subsidiaries. The difference is shown as a separate item in the consolidated statements of financial position under the shareholders' equity and will be written off when the investment is disposed.
- 5.16 Non-controlling interests of subsidiary companies represent the portion of book value of the net assets of the subsidiary companies under the shareholding ratio that are not held by the Group and are presented separately under the shareholders equity 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 and the consolidated statement of comprehensive income.
- 5.17 Revenue recognised excludes value added taxes and present net off trade discounts with the following policies :-
- 5.17.1 Revenue from sales are recognized in profit or loss 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.
  - 5.17.2 Revenue from transferring of goods, revenue from warehousing and other services are recognized when those services are already rendered.
  - 5.17.3 Revenue from rent and service fee are recognized under the accrual basis according to the rates stipulated in each service agreement.
  - 5.17.4 Revenue from sale of houses together with land is recognized when the construction is completed pursuant to the agreement and the ownership already transferred to the purchaser.
  - 5.17.5 Dividend income is recognized on the date that has right to receive payments is established.
  - 5.17.6 Revenues from interest received and discount received from discounted notes receivable are recognized according to the related period.
  - 5.17.7 Other revenues are recognized by accrual basis.
- 5.18 Expenses recognition are as follows :-
- 5.18.1 In case of cost of sale for house together with land, the Group 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 profit or loss.
  - 5.18.2 Payment made under the operating lease are recognized in profit or loss on a straight-line basis over the term of the lease.



- 5.18.3 Financial costs such as interest expenses and similar costs are charged to profit or loss 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.
- 5.18.4 Other expenses are recognized by accrual basis.
- 5.19 Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

#### Current tax

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

#### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

In the consolidated financial statements, deferred tax assets and deferred tax liabilities are recognized by each company in the Group, and deferred tax asset of one company in the Group is offset against deferred tax liability of another company in the Group if, and only if, the companies concerned have a legally enforceable right to make or receive a single net payment and the companies intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

- 5.20 Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders (excluding other comprehensive income) by the weighted average number of common shares outstanding during the year.
- 5.21 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 profit or loss.
- 5.22 The related parties and related companies with the Group meant individuals or enterprises which have the controlling power over the Group or are controlled by Group either directly or indirectly, or under the same control with the Group. 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, important management, directors or the employees of the Group who have the power to plan and control the operations of the Group 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.
- 5.23 The sectoral business operation is disclosed under the separate business sectors of the Group, 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.
- 5.24 Financial instruments consisted of financial assets and liabilities which were carried on the financial statements 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.
- 5.25 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 received or paid. Gain or loss from the foreign currency forward contracts will be recorded in profit or loss when the contracts are settled or terms are expired.

#### 5.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:-

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly.
- Level 3 - Use of unobservable inputs such as estimates of future cash flows.

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### 6. Related parties transaction

The Company has business transactions with related entities, which have the same group of shareholders or mutual directors. Such transaction, which have been concluded on commercial terms and based agreed upon between the Company and related parties and are in ordinary course of business which can be summarized as follows: -

## 6.1 Inter-assets and liabilities

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
- Trade receivables				
T S Warehouse Co., Ltd.	-	-	-	92,610
T S Transport and Logistics Co., Ltd.	-	-	267	535
Khon Kaen Sugar Industry Public Co., Ltd.	3,359,167	2,760,608	-	-
Rajburi Sugar Co., Ltd.	5,296,599	2,158,047	3,790,582	1,589,642
Mitr Kaset Sugar Industry Co., Ltd.	1,810	1,336,734	-	1,204,820
Prachaup Industry Co., Ltd.	141,973	2,018,318	83,460	1,170,888
New Krung Thai Sugar Industry Co., Ltd.	27,451	93	-	-
Tamaka Sugar Industry Co., Ltd.	52,106	2,621,500	-	2,621,500
New Kwang Soon Lee Sugar Industry Co., Ltd.	-	374,500	-	374,500
Mitr Kasetr Uthaitani Co., Ltd	214,195	-	127,758	-
Kaset Thai International Sugar Corporation Public Co., Ltd.	3,286,052	-	826,999	-
Total	<u>12,379,353</u>	<u>11,269,800</u>	<u>4,829,066</u>	<u>7,054,495</u>
- Other receivables				
T S G Asset Co., Ltd.	-	-	19,034	16,682
T S Flour Mill Public Co., Ltd.	-	-	-	14,164
T S Transport and Logistics Co., Ltd.	-	-	1,883	2,974
T S Warehouse Co., Ltd.	-	-	-	660,000
Rajburi Sugar Co., Ltd.	6,313	11,770	6,313	11,770
Prachaup Industry Co., Ltd.	696	4,815	696	4,815
Mitr Kaset Sugar Industry Co., Ltd.	-	5,136	-	5,136
Mitr Kasetr Uthaitani Co., Ltd	80	-	80	-
Kaset Thai International Sugar Corporation Public Co., Ltd.	1,567	-	1,567	-
Total	<u>8,656</u>	<u>21,721</u>	<u>29,573</u>	<u>715,541</u>
- Other non-current assets (Accrued rental income)				
T S Flour Mill Public Co., Ltd.	-	-	11,339,138	7,455,672
- Trade payables				
T S Warehouse Co., Ltd.	-	-	64,200	1,038,601
- Other payables				
T S Warehouse Co., Ltd.	-	-	-	3,113,180
T S Transport and Logistics Co., Ltd	-	-	-	8,560
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,121,740</u>
- Purchase asset				
T S Oil Industry Co., Ltd.	-	-	-	37,383
- Accrued discounts payable				
Khon Kaen Sugar Industry Public Co., Ltd.	330,803	122,536	330,803	122,536
Mitr Kaset Sugar Industry Co., Ltd.	236,096	2,591,825	236,096	2,591,825
New Krung Thai Sugar Industry Co., Ltd.	3,691	3,691	3,691	3,691
Tamaka Sugar Industry Co., Ltd.	483,983	1,043,983	483,983	1,043,983

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
New Kwang Soon Lee Sugar Industry Co., Ltd.	134,433	234,433	134,433	234,433
Prachaup Industry Co., Ltd.	-	67,500	-	67,500
Total	<u>1,189,006</u>	<u>4,063,968</u>	<u>1,189,006</u>	<u>4,063,968</u>
- Accrued interest expenses				
T S G Asset Co., Ltd.	-	-	29,829	-
T S Warehouse Co., Ltd.	-	-	270,240	112,757
Total	<u>-</u>	<u>-</u>	<u>300,069</u>	<u>112,757</u>
- Deposit received from warehouse, land rental and tank rental				
T S Oil Industry Co., Ltd.	-	-	1,392,390	1,392,390
T S Flour Mill Public Co., Ltd.	-	-	1,738,300	2,143,300
T S Warehouse Co., Ltd.	-	-	10,189,400	8,819,800
T S Transport and Logistics Co., Ltd.	-	-	660,600	660,600
Total	<u>-</u>	<u>-</u>	<u>13,980,690</u>	<u>13,016,090</u>
- Long-term loan from related party				
T S G Asset Co., Ltd.				
Beginning balance	-	-	-	-
Increase in the year	-	-	18,000,000	-
Repaid in the year	-	-	(8,000,000)	-
Ending balance	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>
T S Warehouse Co., Ltd.				
Beginning balance	-	-	40,000,000	25,000,000
Increase in the year	-	-	50,000,000	52,000,000
Repaid in the year	-	-	-	(37,000,000)
Ending balance	<u>-</u>	<u>-</u>	<u>90,000,000</u>	<u>40,000,000</u>
Total	<u>-</u>	<u>-</u>	<u>100,000,000</u>	<u>40,000,000</u>

The loan from subsidiary companies is a loan under agreement with the repayment of the principal scheduled within 3 years and 10 years. The interest payment must be made every quarter at the interest rate of three-month fixed deposit interest plus 0.75% per annum. The interest rate shall be revised every quarter when the interest is due.

## 6.2 Inter-revenues and expenses

- Revenues and expenses for the years ended December 31, 2015 and 2014.

(Unit : Baht)				
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
- Revenue from warehouse rental				
T S Oil Industry Co., Ltd.	-	-	3,213,840	3,213,840
T S Flour Mill Public Co., Ltd.	-	-	9,077,633	10,516,357
T S Warehouse Co., Ltd.	-	-	64,820,663	63,406,623
T S Transport and Logistics Co., Ltd.	-	-	1,890,000	1,890,000
Total	-	-	79,002,136	79,026,820
- Revenue from land rental and tank rental				
T S G Asset Co., Ltd.	-	-	2,738,400	1,341,500
T S Oil Industry Co., Ltd.	-	-	6,350,100	5,716,500
T S Flour Mill Public Co., Ltd.	-	-	5,410,958	5,410,958
T S Warehouse Co., Ltd.	-	-	7,860,370	2,450,985
T S Transport and Logistics Co., Ltd.	-	-	810,000	810,000
Total	-	-	23,169,828	15,729,943
- Revenue from service fee of loading and service				
T S Flour Mill Public Co., Ltd.	-	-	1,283,395	8,693,789
T S Transport and Logistics Co., Ltd.	-	-	5,650	-
Khon Kaen Sugar Industry Public Co., Ltd.	13,525,801	8,553,871	12,597,301	7,895,936
Rajburi Sugar Co., Ltd.	10,050,204	11,225,574	9,544,151	10,608,427
Mitr Kaset Sugar Industry Co., Ltd.	4,999,923	8,646,255	4,804,923	8,526,129
Prachaup Industry Co., Ltd.	10,975,741	10,647,023	10,657,255	10,207,788
New Krung Thai Sugar Industry Co., Ltd.	10,233,047	12,346,643	9,891,868	11,953,025
Tamaka Sugar Industry Co., Ltd.	11,702,016	12,945,034	10,798,355	11,683,101
New Kwang Soon Lee Sugar Industry Co., Ltd.	350,000	6,213,237	350,000	5,692,913
Eastern Sugar and Sugar Cane co., Ltd.	-	207,068	-	207,068
Eastern Sugar Co.,Ltd	320,712	-	320,712	-
Mitr Kasetr Uthaithani Co., Ltd	10,905,345	-	10,905,345	-
Kaset Thai International Sugar Corporation Public Co., Ltd.	10,681,730	-	9,507,613	-
Total	83,744,519	70,784,705	80,666,568	75,468,176

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
- Revenue from warehousing				
Khon Kaen Sugar Industry Public Co., Ltd.	4,127,093	5,981,017	-	-
Rajburi Sugar Co., Ltd.	8,201,107	5,134,535	-	-
Mitr Kaset Sugar Industry Co., Ltd.	1,173,271	2,066,903	-	-
Prachaup Industry Co., Ltd.	9,554,444	7,292,637	-	-
New Krung Thai Sugar Industry Co., Ltd.	2,089,436	2,971,973	-	-
Tamaka Sugar Industry Co., Ltd.	4,288,300	13,800,640	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	-	4,618,112	-	-
Mitr Kasetr Uthaithani Co., Ltd	7,988,375	-	-	-
Kaset Thai International Sugar Corporation Public Co., Ltd.	17,887,114	-	-	-
Total	<u>55,309,140</u>	<u>41,865,817</u>	<u>-</u>	<u>-</u>
- Revenue from saelling burlap sacks				
Khon Kaen Sugar Industry Public Co., Ltd.	13,801,936	11,383,623	-	-
Rajburi Sugar Co., Ltd.	-	492,400	-	492,400
Mitr Kaset Sugar Industry Co., Ltd.	-	1,774,004	-	-
Kaset Thai International Sugar Corporation Public Co., Ltd.	9,065	-	9,065	-
Total	<u>13,811,001</u>	<u>13,650,027</u>	<u>9,065</u>	<u>492,400</u>
- Other incomes				
T S Flour Mill Public Co., Ltd.	-	-	40,447	195,048
T S Transport and Logistics Co., Ltd.	-	-	30,100	40,560
T S G Asset Co., Ltd.	-	-	212,307	239,784
Khon Kaen Sugar Industry Public Co., Ltd.	22,126	53,795	22,126	53,795
Rajburi Sugar Co., Ltd.	28,010	-	28,010	-
Mitr Kaset Sugar Industry Co., Ltd	17,518	-	17,518	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	36,844	-	36,844	-
Tamaka Sugar Industry Co., Ltd.	43,930	-	43,930	-
Prachaup Industry Co., Ltd.	10,434	-	10,434	-
Mitr Kasetr Uthaithani Co., Ltd	47,175	-	47,175	-
Kaset Thai International Sugar Corporation Public Co., Ltd.	91,915	-	91,915	-
Total	<u>297,952</u>	<u>53,795</u>	<u>580,806</u>	<u>529,187</u>
- Dividend income				
T S Flour Mill Public Co., Ltd.	-	-	15,810,648	19,763,310
Khon Kaen Sugar Industry Public Co., Ltd.	24,934	67,925	24,934	67,295
Total	<u>24,934</u>	<u>67,295</u>	<u>15,835,582</u>	<u>19,830,605</u>

(Unit : Baht)

	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
- Interest income				
T S Transport and Logistics Co., Ltd.	-	-	10,240	-
- Expenses of loading and service				
T S Warehouse Co., Ltd.	-	-	8,037,490	13,305,304
- Discount expenses				
Khon Kaen Sugar Industry Public Co., Ltd.	1,308,271	1,293,590	1,308,271	1,293,590
Rajburi Sugar Co., Ltd.	816,579	530,686	816,579	530,686
Mitr Kaset Sugar Industry Co., Ltd.	164,096	745,437	164,096	745,437
Prachaup Industry Co., Ltd.	558,667	997,257	558,667	997,257
New Krung Thai Sugar Industry Co., Ltd.	634,417	1,097,908	634,417	1,097,908
Tamaka Sugar Industry Co., Ltd.	1,830,654	2,552,249	1,830,654	2,552,249
New Kwang Soon Lee Sugar Industry Co., Ltd.	100,000	1,684,913	100,000	1,684,913
Eastern Sugar and Sugar Cane Co., Ltd.	-	75,760	-	75,760
Total	<u>5,412,684</u>	<u>8,977,800</u>	<u>5,412,684</u>	<u>8,977,800</u>
- Other expenses				
T S Transport and Logistics Co., Ltd.	-	-	3,553,000	3,560,000
- Interest expenses				
T S Warehouse Co., Ltd.	-	-	959,863	595,075
T S Transport and Logistics Co., Ltd.	-	-	28,048	-
T S G Asset Co., Ltd.	-	-	107,651	-
Total	<u>-</u>	<u>-</u>	<u>1,095,562</u>	<u>595,075</u>
- Directors' and important management's remuneration				
Short-term employee benefits	60,327,950	57,336,340	23,465,210	22,223,280
Post-employment benefits	1,321,444	551,121	593,214	247,845
Total	<u>61,649,394</u>	<u>57,887,461</u>	<u>24,058,424</u>	<u>22,471,125</u>

Policy of inter-price setting

- 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.
- Revenues from inter-rental conform to terms of rental agreements ranging from 2 months to 30 years.
- No fee is charged for the inter-credit facility guarantee.



### 6.3 Relationship of related companies

<u>Company's name</u>	<u>Relationship</u>
T S G ASSET CO., LTD.	Subsidiary company
T S OIL INDUSTRY CO., LTD.	Subsidiary company
T S FLOUR MILL PUBLIC CO., LTD.	Subsidiary company
T S WAREHOUSE CO., LTD.	Subsidiary company
T S TRANSPORT AND LOGISTICS CO., LTD.	Subsidiary company
KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Related company with Company's shareholder
RAJBURI SUGAR CO., LTD.	Related company with mutual shareholders and directors
MITR KASET SUGAR INDUSTRY CO., LTD.	Related company with mutual shareholders and directors
PRACHAUP INDUSTRY CO., LTD.	Related company with mutual shareholders and directors
NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Related company with mutual directors
TAMAKA SUGAR INDUSTRY CO., LTD.	Related company with mutual directors
NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Related company with mutual directors
EASTERN SUGAR AND SUGAR CANE CO., LTD.	Related company with mutual directors
MITR KASETR UTHAITHANI CO., LTD.	Related company with mutual directors
KASET THAI INTERNATIONAL SUGAR CORPORATION PUBLIC CO.,LTD.	Related company with mutual directors

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

### 7. Cash and cash equivalent items

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	103,541	104,000	50,000	50,000
Saving account	158,679,119	60,077,805	10,269,730	11,977,912
Current account	22,050,526	5,805,710	188,359	177,138
Total	180,833,186	65,987,515	10,508,089	12,205,050

8. Trade and other receivable

	(Unit : Baht)			
	<u>Consolidated financial</u>		<u>Separate financial</u>	
	statements		statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade receivables-related parties	12,379,353	11,269,800	4,829,066	7,054,495
Trade receivables-other parties	226,112,954	206,737,195	1,618,536	14,599,607
Total trade receivables	238,492,307	218,006,995	6,447,602	21,654,102
<u>Less</u> Allowance for doubtful debts	(16,347,238)	(18,763,283)	-	-
Trade receivables-net	222,145,069	199,243,712	6,447,602	21,654,102
Other receivables-related parties	8,656	21,721	29,573	715,541
Other receivables-other parties	228,602	211,420	210,858	187,093
Prepaid expenses	7,344,583	1,544,630	267,953	291,007
Accrued income-other parties	986,525	11,315	3,582	3,581
Deposit paid	208,500	302,000	-	-
Advance payment	81,229	127,629	-	-
Total other receivables	8,858,095	2,218,715	511,966	1,197,222
Total trade and other receivables	231,003,164	201,462,427	6,959,568	22,851,324

Aging analyses for trade receivables are as follows :-

8.1 Trade receivables-related parties

	(Unit : Baht)			
	<u>Consolidated financial</u>		<u>Separate financial statements</u>	
	statements			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Domestic trade receivables				
Not yet due	9,620,144	10,330,649	4,033,964	6,470,697
Overdue not over 3 months	2,759,209	939,151	795,102	583,798
Total	12,379,353	11,269,800	4,829,066	7,054,495

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

## 8.2 Trade receivables-other parties

(Unit : Baht)				
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Domestic trade receivables				
Not yet due	131,143,437	120,556,125	1,307,189	13,343,766
Overdue				
Overdue not over 3 months	76,896,339	64,708,312	311,317	1,255,811
Overdue over 3 months but not over 6 months	3,100,948	487,203	-	-
Overdue over 6 months but not over 9 months	246,002	-	-	-
Overdue over 9 months but not over 12 months	-	-	-	-
Overdue over 12 months	14,726,228	20,985,555	30	30
Total	226,112,954	206,737,195	1,618,536	14,599,607
<u>Less</u> Allowance for doubtful accounts	(16,347,238)	(18,763,283)	-	-
Net	209,765,716	187,973,912	1,618,536	14,599,607

The normal credit term granted by the Group ranges from 5 days to 45 days. For the years December 31, 2015 and 2014, bad debt and doubtful are as follow :-

(Unit : Baht)				
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Bad debt and doubtful (reversal)	(2,416,045)	(6,698,822)	-	-

## 9. Inventories

(Unit : Baht)			
	<u>Consolidated financial statements</u>		
	<u>2015</u>	<u>2014</u>	
Raw material	411,631,657	141,404,682	
Work in process	42,314,739	21,313,997	
Finished goods	18,480,754	17,134,895	
Supplies	2,303,655	2,003,740	
Goods in transit	230,688,640	72,244,263	
Total	705,419,445	254,101,577	
<u>Less</u> Allowance for declining in value of inventories	(1,006,714)	(434,526)	
Net	704,412,731	253,667,051	

(Unit : Baht)

<u>Consolidated financial statements</u>		
<u>For the years ended December 31,</u>		
	<u>2015</u>	<u>2014</u>
Cost of inventory record as expense and include in the cost of good sold		
- Cost of good sold	1,147,391,970	972,900,039
- Loss for declining in value of inventories (reversal)	572,188	(361,103)
Net	<u>1,147,964,158</u>	<u>972,538,936</u>

10. Real estate development cost

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Project development cost				
Land cost	66,000,000	66,000,000	66,000,000	66,000,000
Work in process	37,078,960	11,452,976	37,078,960	11,452,976
Real estate ready for sale				
Land	31,461,852	31,461,852	31,461,852	31,461,852
Total	<u>134,540,812</u>	<u>108,914,828</u>	<u>134,540,812</u>	<u>108,914,828</u>
<u>Less</u> Allowance for declining value				
of real estate development cost	<u>(5,540,352)</u>	<u>(5,540,352)</u>	<u>(5,540,352)</u>	<u>(5,540,352)</u>
Real estate development cost-net	<u>129,000,460</u>	<u>103,374,476</u>	<u>129,000,460</u>	<u>103,374,476</u>

11. Other long-term investments

(Unit : Baht)

<u>Consolidated financial statements</u>				
	<u>2015</u>		<u>2014</u>	
	Cost	Fair value	Cost	Fair value
- Investments securities available for sale				
Investment in marketable equity securities	4,469,402	3,051,408	4,469,402	3,352,660
Purchases during the year	2,646,000	2,646,000	-	-
Sales during the year	(5,047,192)	(4,185,000)	-	-
Unrealized loss recognized in other comprehensive income	(555,802)	-	(1,116,742)	-
Investments in marketable securities available for sale-net	1,512,408	1,512,408	3,352,660	3,352,660
- Debt securities held to maturity	867,711	860,410	875,012	867,711
Plus investment during the period	-	-	-	-
Less redemption of government bonds	-	-	-	-
Plus(Less) premium bond amortization	(7,301)	-	(7,301)	-
Net	860,410	860,410	867,711	867,711
Total long-term investments-net	2,372,818	2,372,818	4,220,371	4,220,371

(Unit : Baht)

<u>Separate financial statements</u>				
	<u>2015</u>		<u>2014</u>	
	Cost	Fair value	Cost	Fair value
- Investments securities available for sale				
Investment in marketable equity securities	4,469,402	3,051,408	4,469,402	3,352,660
Purchases during the year	2,646,000	2,646,000	-	-
Sales during the year	(5,047,192)	(4,185,000)	-	-
Unrealized loss recognized in other comprehensive income	(555,802)	-	(1,116,742)	-
Investments in marketable securities available for sale-net	1,512,408	1,512,408	3,352,660	3,352,660
- Debt securities held to maturity	379,600	376,408	382,793	379,600
Plus investment during the period	-	-	-	-
Less redemption of government bonds	-	-	-	-
Plus(Less) premium bond amortization	(3,192)	-	(3,193)	-
Net	376,408	376,408	379,600	379,600
Total long-term investments-net	1,888,816	1,888,816	3,732,260	3,732,260

As at December 31, 2015 and 2014, the whole amount of debt security-held to maturity was pledged as collateral for the use of electricity.

12. Investments in subsidiary companies

(Unit : Baht)

Company’s name	<u>Paid-up</u>		Percentage of		<u>Separate financial statements</u>			
	share capital				Investment		Dividend	
	(Unit : Thousand Baht)		investments		cost method		For the year	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
T S G Asset Co., Ltd.	50,000	50,000	79.78	79.78	40,611,143	40,611,143	-	-
T S Oil Industry Co., Ltd.	500,000	500,000	97.16	97.16	488,543,862	488,543,862	-	-
T S Flour Mill Public Co., Ltd.	342,000	285,000	69.34	69.34	316,374,644	197,794,784	15,810,648	19,763,310
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.	160,000	160,000	85.90	85.90	343,589,000	68,717,800	-	-
Total					1,199,191,794	805,740,734	15,810,648	19,763,310

Investment in T.S. Flour Mill Public Co., Ltd in amount of 85.00 million shares which equivalent 24.85% shareholding has pledge to collateral against loan with financial institute in the notes to financial statements No. 18.

T S Flour Mill Public Company Limited

During the year, the Company has paid for the new issuing ordinary shares to T S Flour Mill Public Company Limited (Subsidiary), which increase of registered capital to Baht 399.00 million in the propotion of existing shareholding at 69.34 % in amount of Baht 118.58 million. As a result, investment in subsidiary company increase to Baht 316.37 million. T S Flour Mill Public Company Limited has already registered its increase registered capital with the Department of Business Development, Ministry of Commerce on October 21, 2015.

As at December 31, 2015, the separate financial statement, the Company has investment in T S Flour Mill Public Company Limited in amount of 237.16 million shares and investment in TMILL-W1 in amount of 39.53 million shares which is the marketable securities listed on the Stock Exchange of Thailand. The total fair value of investments are in amount of Baht 603.57 million. (The investment in warrants “TMILL-W1” has exercise ratio, 1 unit of warrant per 1 ordinary share, exercise price is at Baht 2.0 per share and the last exercise date of warrants is on October 29, 2017).

### T S Transport and Logistics Company Limited

During the year, the Company has paid for the new issuing ordinary shares to T S Transport and Logistics Company Limited (Subsidiary), which call for paid-up share according to maintain the existing shareholding percentage of the Company at 85.90 % in amount of Baht 274.87 million. As a result, investment in subsidiary company increase to Baht 343.59 million. T S Transport and Logistics Company Limited has already registered its increase registered capital with the Department of Business Development, Ministry of Commerce on July 27, 2015.

### 13. Investment properties

(Unit : Baht)

	Consolidated financial statements			
	Land and Land improvement	Building and improvement	Road	Total
Cost :				
As at January 1, 2014	118,339,491	206,830,878	4,691,619	329,861,988
Purchase	28,703,250	251,809	-	28,955,059
Transfer in	7,255,250	432,927	-	7,688,177
Disposal/Write off	(140,586)	(543,852)	-	(684,438)
Transfer out	(126,001,291)	(1,798,471)	-	(127,799,762)
As at December 31, 2014	28,156,114	205,173,291	4,691,619	238,021,024
As at December 31, 2015	28,156,114	205,173,291	4,691,619	238,021,024
Accumulated depreciation :				
As at January 1, 2014	(2,150,000)	(34,906,530)	(1,706,353)	(38,762,883)
Transfer in	-	(42,762)	-	(42,762)
Disposal /Write off	-	174,445	-	174,445
Transfer out	-	158,766	-	158,766
Depreciation for the year	-	(5,124,208)	(110,407)	(5,234,615)
As at December 31, 2014	(2,150,000)	(39,740,289)	(1,816,760)	(43,707,049)
Depreciation for the year	-	(5,137,901)	(110,407)	(5,248,308)
As at December 31, 2015	(2,150,000)	(44,878,190)	(1,927,167)	(48,955,357)
Allowance for assets impairment :				
As at December 31, 2014	-	(719,961)	-	(719,961)
As at December 31, 2015	-	(719,961)	-	(719,961)
Net book value :-				
As at December 31, 2014	26,006,114	164,713,041	2,874,859	193,594,014
As at December 31, 2015	26,006,114	159,575,140	2,764,452	188,345,706
Depreciation in profit or loss for the years :				
Ended December 31, 2014				5,234,615
Ended December 31, 2015				5,248,308
Fair value :				
Ended December 31, 2014				242,408,757
Ended December 31, 2015				242,408,757

(Unit : Baht)

	Separate financial statements				
	Land	Building and improvement	Port	Work in construction	Total
Cost :					
As at January 1, 2014	147,803,413	211,375,304	-	18,953,879	378,132,596
Purchase	28,703,250	-	-	67,873,718	96,576,968
Interest expense capitalized to cost of assets	-	-	-	134,350	134,350
Transfer in	7,267,250	69,426,898	-	-	76,694,148
Transfer out	-	-	-	(70,018,651)	(70,018,651)
As at December 31, 2014	183,773,913	280,802,202	-	16,943,296	481,519,411
Purchase	-	-	-	38,258,837	38,258,837
Interest expense capitalized to cost of assets	-	62,461	-	263,014	325,475
Transfer in	-	23,190,933	79,494,014	49,646,000	152,330,947
Transfer out	-	-	-	(102,692,553)	102,692,553
Disposal /Write off	-	(28,757,334)	-	-	(28,757,334)
As at December 31, 2015	183,773,913	275,298,262	79,494,014	2,418,594	540,984,783
Accumulated depreciation :					
As at January 1, 2014	-	(155,088,092)	-	-	(155,088,092)
Depreciation for the year	-	(6,434,916)	-	-	(6,434,916)
As at December 31, 2014	-	(161,523,008)	-	-	(161,523,008)
Depreciation for the year	-	(7,784,802)	(664,265)	-	(8,449,067)
Disposal /Write off	-	28,757,331	-	-	28,757,331
As at December 31, 2015	-	(140,550,479)	(664,265)	-	(141,214,744)
Net book value :					
As at December 31, 2014	183,773,913	119,279,194	-	16,943,296	319,996,403
As at December 31, 2015	183,773,913	134,747,783	78,829,749	2,418,594	399,770,039
Depreciation in profit or loss for the years :					
End of December 31, 2014					6,434,916
End of December 31, 2015					8,449,067
Fair value :					
End of December 31, 2014					758,354,680
End of December 31, 2015					761,009,232



For the years ended December 31, 2015 and 2014, investment properties caused rental income recognized in profit or loss being shown as in the consolidated financial statements of Baht 16.95 million and Baht 14.43 million, respectively and in the separate financial statements of Baht 104.10 million and Baht 97.08 million, respectively.

As at December 31, 2015 and 2014, the Group have the assets for lease with the book value stated in the consolidated financial statements of Baht 292.98 million and Baht 297.54 million, respectively and in the separate financial statements of Baht 164.95 million and Baht 146.96 million, respectively were pledged as collateral against credit facilities given by two commercial banks as detailed in the notes to financial statements No. 15.

As at December 31, 2015 and 2014, a subsidiary company's investment property amounting of the book value was Baht 1 13.65 million and Baht 1 19.35 million, respectively were constructed on the land lease from the Company, when the contractual term expired or terminated, the lessee shall hand over the land together with the construction (if applicable) in the condition as is on the contractual term expiration date to the lessor, except the contractual parties have agreed otherwise regarding the construction on the leased land.

For the year ended December 31, 2015 and 2014, the Company had capitalized the costs of loan of Baht 0.33 million and Bath 0.13 million respectively. The cost of loan are loaned for the purpose of a new warehouse construction.

Fair value of investment propoties is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission which almost using the income approach for investment property for rent. The Group is in the process to re-appraise the fair value of investment properties. Currently, the independent appraiser report has not yet been finished.

#### 14. Property, plant and equipment

(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, 2014	96,032,794	477,609,381	33,240,363	45,388,696	1,005,060,153	57,178,383	60,371,565	1,774,881,335
Purchase	-	136,389	-	-	19,388,833	2,112,150	483,471,227	505,108,599
Interest expense capitalized to cost of assets	-	-	-	-	-	-	8,117,011	8,117,011
Transfer in	126,013,291	77,023,689	3,237,038	500,000	1,825,024	-	30,400,303	238,999,345
Disposal/Write off	-	-	-	-	(902,163)	(2,470,818)	-	(3,372,981)
Transfer out	(12,000)	-	-	-	(553,091)	-	(81,258,870)	(81,823,961)
As at December 31, 2014	222,034,085	554,769,459	36,477,401	45,888,696	1,024,818,756	56,819,715	501,101,236	2,441,909,348
Purchase	-	1,916,867	200,000	-	250,565,474	4,186,748	237,544,081	494,413,170
Interest expense capitalized to cost of assets	-	62,461	-	-	-	-	4,832,405	4,894,866
Transfer in	-	218,048,797	3,247,645	79,494,014	231,038,056	-	143,519,292	675,347,804
Disposal/Write off	-	(28,757,334)	(680,000)	-	(870,581)	(583,415)	-	(30,891,330)
Transfer out	-	-	-	-	(17,531)	-	(675,330,273)	(675,347,804)
As at December 31, 2015	22,034,085	746,040,250	39,245,046	125,382,710	1,505,534,174	60,423,048	211,666,741	2,910,326,054
Capital surplus from revaluation of assets :								
As at December 31, 2014	585,326,527	-	-	-	-	-	-	585,326,527
As at December 31, 2015	585,326,527	-	-	-	-	-	-	585,326,527
Accumulated depreciation :								
As at January 1, 2014	-	(322,995,454)	(27,626,533)	(43,227,761)	(381,890,500)	(24,704,707)	-	(800,444,955)
Transfer in	-	(11,744)	(132,905)	-	(954,283)	-	-	(1,098,932)
Disposal/Write off	-	-	-	-	642,121	1,845,509	-	2,487,630
Transfer out	-	2,372	-	-	980,557	-	-	982,929
Depreciation for the year	-	(11,580,583)	(1,566,666)	(127,808)	(43,571,530)	(5,429,626)	-	(62,276,213)
As at December 31, 2014	-	(334,585,409)	(29,326,104)	(43,355,569)	(424,793,635)	(28,288,824)	-	(860,349,541)
Disposal/Write off	-	28,757,331	680,000	-	831,683	328,075	-	30,597,089
Depreciation for the year	-	(18,750,588)	(2,678,358)	(714,265)	(54,753,326)	(5,256,132)	-	(82,152,669)
As at December 31, 2015	-	(324,578,666)	(31,324,462)	(44,069,834)	(478,715,278)	(33,216,881)	-	(911,905,121)
Allowance for assets impairment :								
As at December 31, 2014	-	(501,207)	-	-	(200,174)	-	-	(701,381)
As at December 31, 2015	-	(501,207)	-	-	(200,174)	-	-	(701,381)
Net book value :								
As at December 31, 2014	807,360,612	219,682,843	7,151,297	2,533,127	599,824,947	28,530,891	501,101,236	2,166,184,953
As at December 31, 2015	807,360,612	420,960,377	7,920,584	81,312,876	1,026,618,722	27,206,167	211,666,741	2,583,046,079
Depreciation in the statements of income for the years :								
Ended December 31, 2013								62,276,213
Ended December 31, 2014								82,152,669

(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, 2014	45,048,285	16,703,367	28,443,267	45,388,695	79,555,091	23,679,447	1,150,165	239,968,317
Purchase	-	136,389	-	-	558,592	-	8,423,730	9,118,711
Transfer in	-	2,141,940	3,237,038	500,000	-	-	591,753	6,470,731
Transfer out	(12,000)	-	-	-	-	-	(5,878,978)	(5,890,978)
As at December 31, 2014	45,036,285	18,981,696	31,680,305	45,888,695	80,113,683	23,679,447	4,286,670	249,666,781
Purchase	-	-	-	-	1,854,862	3,830	66,797,088	68,655,779
Transfer in	-	-	2,567,645	-	3,319,195	-	25,137	5,911,977
Transfer out	-	-	-	-	(17,531)	-	(55,532,840)	(55,550,371)
As at December 31, 2015	45,036,285	18,981,696	34,247,950	45,888,695	85,270,208	23,683,277	15,576,055	268,684,166
Capital surplus from revaluation of assets :								
As at December 31, 2014	281,298,536	-	-	-	-	-	-	281,298,536
As at December 31, 2015	281,298,536	-	-	-	-	-	-	281,298,536
Accumulated depreciation :								
	-	(10,803,657)	(23,508,212)	(43,227,761)	(77,798,152)	(3,579,129)	-	(158,916,911)
As at January 1, 2014								)
Depreciation for the year	-	(349,263)	(1,527,774)	(127,808)	(724,912)	(2,473,182)	-	(5,202,939)
		(11,152,920)	(25,035,986)	(43,355,569)	(78,523,064)	(6,052,311)	-	(164,119,850)
As at December 31, 2014	-							)
Depreciation for the year	-	(545,855)	(2,551,400)	(50,000)	(1,526,882)	(2,473,846)	-	(7,147,983)
		(11,698,775)	(27,587,386)	(43,405,569)	(80,049,946)	(8,526,157)	-	(171,267,833)
As at December 31, 2015	-							)
Allowance for assets impairment :								
As at December 31, 2014	-	(501,207)	-	-	-	-	-	(501,207)
As at December 31, 2015	-	(501,207)	-	-	-	-	-	(501,207)
Net book value :								
As at December 31, 2014	326,334,821	7,327,569	6,644,319	2,533,126	1,590,619	17,627,136	4,286,670	366,344,260
As at December 31, 2015	326,334,821	6,781,714	6,660,564	2,483,126	5,220,262	15,157,120	15,576,055	378,213,662
Depreciation in the statements of income for the years :								
Ended December 31, 2013								5,202,939
Ended December 31, 2014								7,147,983

As at December 31, 2015 and 2014, the subsidiary companies's building improvements, building and work in construction of factory buildings amounting of Baht 324.02 million and Baht 169.63 million, respectively were constructed on the land lease from the Company, 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, 2015 and 2014, in the consolidated financial statements the Group had the assets which fully depreciated but still in used. The cost price was Baht 273.49 million and the book value was Baht 3.90 million, and the cost price was Baht 260.11 million and the book value was Baht 3.90 million, respectively.

As at December 31, 2015 and 2014, in the separate financial statements the Company had the assets which fully depreciated but still in used. The cost price was Baht 154.50 million and the book value was Baht 2.53 million and the cost price was Baht 153.37 million and the book value was Baht 2.53 million, respectively.

As at December 31, 2015 and 2014, the Group has land, constructions and machines with the book value stated in the consolidated financial statements of Baht 511.37 million and Baht 442.55 million, respectively and in the separate financial statements of Baht 54.36 million for the both year as collateral against credit facilities given by two commercial banks as detailed in the notes to financial statements No.15. In addition, a subsidiary company settled the obligations of mortgage as well as assets pledged as guarantees to the lenders. And abided by the Negative pledge to financial institution not to engage any financial burden on a factory, machines and related equipment held at the present, as at December 31, 2015 and 2014 in amount of Baht 533.57 million and Baht 242.39 million, respectively and in the future as mentioned in the notes to financial statements No. 15.

As at December 31, 2015 and 2014, the vehicles as in the consolidated financial statements at the book value amount of Baht 7.26 million and Baht 6.50 million, respectively and in the separate financial statements of Baht 5.29 million and Baht 4.92 million, respectively are assets under the long-term lease contracts as mentioned in the notes to the financial statements No. 19.

For the years ended December 31, 2015 and 2014, the Company and a subsidiary company had capitalized the costs of loan of Baht 4.89 million and Baht 8.12 million respectively to the work in progress. The costs of loan are loaned for the purpose of a production expansion and a new silo construction as mentioned in the notes to financial statements No. 16.

15. Credit facilities and guarantee

As at December 31, 2015 and 2014, The Company and two subsidiaries received the following credit facilities from the 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 No. 16, 18 and 31.1. 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. 13 and 14. The guarantee included the insurance for the constructions and machines with the equipments at the maximum limit accepted by the insurance company and forfeit the benefit from the insurance to the bank as the beneficiary. The Company and subsidiaries 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.
- The Company must maintain the debt service coverage ratio at not less than 1.2 : 1.

In addition, as at December 31, 2015 and 2014, a subsidiary company was granted the following credit facilities from financial institutions; bank overdraft, short-term and long-term loans from the financial institution, trust receipts, letter of credit and forward exchange contracts as mentioned in the notes to financial statements No.16, 18 and 31.1. The subsidiary company needs to settle the obligations of mortgage as well as assets pledged as guarantees to the lenders, and changed the condition of credit facilities to under Negative Pledge terms including important covenants as follow :-

1. The subsidiary company (the borrower) shall maintain Debt Service Coverage Ratio not lower than 1.2.
2. The subsidiary company (the borrower) shall maintain Interest Bearing Debt to Equity (IBD/E) not exceed 2.5 in year 2013-2015 and 2.0 onwards.
3. The subsidiary company (the borrower) shall not pay dividend exceed 50 % of net income per year.
4. Khon Kaen Sugar Industry Public Co., Ltd. and Thai Sugar Terminal Public Co., Ltd. shall maintain shareholder (direct or indirect) not lower than 51%.

16. Short-term loans from financial institutions

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Bank Overdraft	-	3,814	-	-
Loans in form of promissory notes	483,000,000	68,000,000	130,000,000	68,000,000
Trust Receipts	480,656,014	120,689,463	-	-
Total	<u>963,656,014</u>	<u>188,693,277</u>	<u>130,000,000</u>	<u>68,000,000</u>

As at December 31, 2015 and 2014, the Group obtained loans from financial institutions in form of promissory notes with the terms range from 1 to 3 months from commercial bank bearing the interest rates at 2.30-2.31 % per annum and 3.25-3.58% per annum respectively.

As at December 31, 2015 and 2014, in the consolidated financial statements, the entire amount of bank overdraft and trust receipts are loans in Baht currency and foreign currency of subsidiary company with the terms ranging from 1 to 3 months and bearing the interest rate at MOR and the fixed interest rate basing on the financial market situation respectively.

Loans in the form of promissory note and trust receipt have the collateral as mention in the notes to financial statements No. 15.

17. Trade and other payable

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2558</u>	<u>2557</u>	<u>2558</u>	<u>2557</u>
Trade payable-related parties	-	-	64,200	1,038,601
Trade payable-other parties	50,605,692	51,742,882	361,571	2,894,035
Total trade payable	<u>50,605,692</u>	<u>51,742,882</u>	<u>425,771</u>	<u>3,932,636</u>
Other payable-related parties	-	-	-	3,121,740
Other payable	6,981,822	9,379,276	308,117	331,390
Payable for asset purchased	24,209,956	3,637,905	2,127,701	3,637,905
Accrued expenses-related parties	1,189,006	4,063,968	1,489,075	4,176,725
Accrued expenses	33,489,665	34,041,926	11,331,159	14,366,619
Retention	16,962,928	12,723,555	6,960,017	4,623,000
Others	1,823,141	729,101	136,998	-
Total other payable	<u>84,656,518</u>	<u>64,575,731</u>	<u>22,353,067</u>	<u>30,257,379</u>
Total trade and other payable	<u>135,362,210</u>	<u>116,318,613</u>	<u>22,778,838</u>	<u>34,190,015</u>

18. Long-term loans from financial institutions

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Loans from financial institution				
(1 <sup>st</sup> Credit line in Baht 175 million)	8,750,000	56,250,000	8,750,000	56,250,000
(2 <sup>nd</sup> Credit line in Baht 200 million)	140,000,000	92,600,000	140,000,000	92,600,000
(3 <sup>rd</sup> Credit line in Baht 50 million)	18,460,000	28,420,000	18,460,000	28,420,000
(4 <sup>th</sup> Credit line in Baht 380 million)	274,871,200	-	274,871,200	-
(5 <sup>th</sup> Credit line in Baht 550 million)	76,133,535	370,059,105	-	-
(6 <sup>th</sup> Credit line in Baht 100 million)	100,000,000	-	100,000,000	-
Total	618,214,735	547,329,105	541,081,200	177,270,000
<u>Less</u> Current portion of long-term loans	(155,710,000)	(196,660,000)	(83,710,000)	(97,460,000)
Net	462,504,735	350,669,105	458,371,200	79,810,000

Movement for the years ended December 31, 2015 and 2014 as follows :-

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Beginning as at January 1,	547,329,105	163,046,585	177,270,000	142,130,000
Increase in the year	513,745,630	486,542,520	462,271,200	112,600,000
Repaid in the year	(442,860,000)	(102,260,000)	(97,460,000)	(77,460,000)
Ending book value as at December 31,	618,214,735	547,329,105	542,081,200	177,270,000

As at December 31, 2015 and 2014, the Group obtained loans from financial institutions. The credit facilities obtained can be classified into six credit lines with important covenants as follows :-

18.1 1<sup>st</sup> Credit line of the Company with Baht 175.00 million credit limit

- The principal must be repaid on six-monthly installments in total of 8 installments at Baht 23.75 million per installment on the last working day of June and December of each year. The first installment must be made in December 2012.
- The interest rate of 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. 15.

- 18.2 2<sup>nd</sup> Credit line of the Company with Baht 200.00 million credit limit
- The principal must be repaid on six-monthly installments in total of 10 installments at Baht 20 million per installment on the last working day of June and December of each year. The first installment must be made in December 2014.
  - The interest rate of 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. 15.
- 18.3 3<sup>rd</sup> Credit line of the Company with Baht 50.00 million credit limit
- The principal must be repaid on monthly installments in total of 60 installments, of which the first installment until the 59 installment at Baht 0.83 million per installment and payment of all the rest for the final installment to be paid on the last working day of each month. The first installment must be made in November 2012.
  - Interest rate is AMLR per annum. The interest is payable at the end of each month. (Interest rate of AMLR is the interest rate of MLR average of BBL, KTB, SCB and KBANK)
  - Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 15.
- 18.4 4<sup>th</sup> Credit line of the Company with Baht 380.00 million credit limit
- The principal must be repaid on six-monthly installments in total of 10 installments at Baht 38.00 million per installment on the last working day of September and March of each year. The first installment must be made in September 2017.
  - The interest rate of 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. 15.
- 18.5 5<sup>th</sup> Credit line of a subsidiary company with Baht 550.00 million credit limit
- The principal includes Baht 400.00 million and Baht 150.00 million utilized for the purpose of a production expansion and a new silo construction accordingly. The payment installment will be made at the end of each quarter beginning the first installment at the end of December 2014. The payment for each purpose includes Baht 18.00 million and Baht 6.80 million respectively. The last payment will be made on the last working day of March 2020.



- The MLR-MARGIN interest rate of 2.375% per annum will be paid 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. 15.

18.6 6<sup>th</sup> Credit line of the Company with Baht 100.00 million credit limit

- The principal must be repaid on six-monthly on the last working day of month. The first installment must be made in March 2016.
- The interest rate of 4.00% per annum. The interest is payable at the end of each month.
- Guaranteed by subsidiary company's share in amount of 85.00 million shares.

19. Liabilities under long-term lease contract

Consisted of the minimum repayments under the long-term lease contracts as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Liabilities under long-term lease contract				
- Current portion	5,477,730	2,097,805	4,136,502	1,304,948
- Due in 1-5 years	1,436,531	4,715,687	688,681	3,639,258
Total liabilities under long-term lease contract	6,914,261	6,813,492	4,825,183	4,944,206
<u>Less</u> Future interest in payable for liabilities under long-term lease contract	(461,933)	(675,289)	(352,840)	(453,163)
Present value of long-term lease contract	6,452,328	6,138,203	4,472,343	4,491,043
<u>Less</u> Current portion of long-term liabilities	(5,089,644)	(1,791,898)	(3,817,366)	(1,124,855)
Liabilities under long-term lease contract-net	1,362,684	4,346,305	654,977	3,366,188

As at December 31, 2015 and 2014, the Group had entered into financial lease contracts with a leasing company for the contractual terms of 3-4 years, bearing the interest rates of 3.96-5.65 per annum and 4.37-5.65 per annum respectively. The ownership of the leased assets still vest with the lessor until the Group have met all the obligations as stipulated in the agreements.

20. Employee benefit obligations

The Group 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 years ended December 31, 2015 and 2014 are as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Employee benefit obligations as at January 1,	12,176,863	18,007,243	7,602,610	11,953,835
Current service cost	2,031,872	641,825	1,052,992	474,696
Interest cost	673,819	370,176	381,510	267,972
Actuarial losses arising from defined benefit plan	4,910,560	-	2,121,637	-
Benefits paid	(2,799,763)	(6,842,381)	(1,918,765)	(5,093,893)
Employee benefit obligations as at December 31,	<u>16,993,351</u>	<u>12,176,863</u>	<u>9,239,984</u>	<u>7,602,610</u>

Expenses recognized in statement of income and comprehensive income for the years ended December 31, 2015 and 2014 are as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Recognized in profit or loss</u>				
Cost of sales	880,400	594,484	488,352	417,828
Administrative expenses	1,825,291	417,517	946,150	324,840
Total	<u>2,705,691</u>	<u>1,012,001</u>	<u>1,434,502</u>	<u>742,668</u>

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Recognized in other comprehensive income</u>				
Actuarial losses arising from defined benefit plan	4,910,560	-	2,121,637	-

Principal actuarial assumptions as are as follows :-

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Discount rate	3.29%-4.03%	3.54%
Salary increase rate	5.00%	5.00%
Employee turnover rate	Age band	Age band
Retirement age	55 years old	55 years old

Assumptions on the future mortality rate hold to the publicly published statistic information. The discount rate is based on the interest rate of long-term government bonds which the maturity dates nearby maturity of the employee's remuneration debt.

## 21. Deferred tax assets (liabilities)

Deferred tax assets and liabilities-net as at December 31, 2015 and 2014 were as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax assets	1,825,112	4,484,405	-	-
Deferred tax liabilities	(124,976,442)	(120,594,866)	(58,649,218)	(57,476,222)
Net	<u>(123,151,330)</u>	<u>(116,110,461)</u>	<u>(58,649,218)</u>	<u>(57,476,222)</u>

Movements in total deferred tax assets and liabilities-net for the years ended December 31, 2015 and 2014 were as follows :-

	(Unit : Baht)							
	<u>Consolidated financial statements</u>				<u>Separate financial statements</u>			
	As at January 1, 2015	(Charged)/ credited to statements of income (Note 28)	(Charged)/ credited to statements of comprehensive income (Note 28)	As at December 31, 2015	As at January 1, 2015	(Charged)/ credited to statements of income (Note 28)	(Charged)/ credited to statements of comprehensive income (Note 28)	As at December 31, 2015
<b>Deferred tax assets</b>								
Account receivable	2,577,362	(2,067,485)	-	509,877	-	-	-	-
Inventories	86,905	114,438	-	201,343	-	-	-	-
Employee benefit obligations	579,329	(141,632)	659,883	1,097,580	-	-	-	-
Others	1,240,809	(1,224,497)	-	16,312	-	-	-	-
Total	<u>4,484,405</u>	<u>(3,319,176)</u>	<u>659,883</u>	<u>1,825,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred tax liability</b>								
Account receivable	1,175,295	1,584,276	-	2,759,571	-	-	-	-
Real estate development cost	1,108,070	-	-	1,108,070	1,108,070	-	-	1,108,070
Property, plant and equipment	(119,843,080)	(3,673,250)	-	(123,516,330)	56,774,885	(44,436)	-	(56,819,321)
Employee benefit obligations	1,779,418	199,443	322,229	2,301,090	1,520,522	(96,852)	424,327	1,847,997
Others	(4,814,569)	(2,702,086)	(112,188)	(7,628,843)	(3,329,929)	(1,343,847)	(112,188)	(4,785,964)
Total	<u>(120,594,866)</u>	<u>(4,591,617)</u>	<u>210,041</u>	<u>(124,976,442)</u>	<u>57,476,222</u>	<u>(1,485,135)</u>	<u>312,139</u>	<u>(58,649,218)</u>
Net	<u>(116,110,461)</u>	<u>(7,910,793)</u>	<u>869,924</u>	<u>(123,151,330)</u>	<u>57,476,222</u>	<u>(1,485,135)</u>	<u>312,139</u>	<u>(58,649,218)</u>

(Unit : Baht)

	Consolidated financial statements				Separate financial statements			
	As at January 1, 2014	(Charged)/ credited to statements of income (Note 28)	(Charged)/ credited to statements of comprehensive income (Note 28)	As at December 31, 2014	As at January 1, 2014	(Charged)/ credited to statements of income (Note 28)	(Charged)/ credited to statements of comprehensive income (Note 28)	As at December 31, 2014
<b>Deferred tax assets</b>								
Account receivable	3,900,439	(1,323,077)	-	2,577,362	-	-	-	-
Inventories	159,126	(72,221)	-	86,905	-	-	-	-
Employee benefit obligations	925,835	(346,506)	-	579,329	-	-	-	-
Others	4,543,216	(3,302,407)	-	1,240,809	-	-	-	-
Total	9,528,616	(5,044,211)	-	4,484,405	-	-	-	-
<b>Deferred tax liability</b>								
Account receivable	1,191,982	(16,687)	-	1,175,295	-	-	-	-
Real estate development cost	1,646,810	(538,740)	-	1,108,070	1,646,810	(538,740)	-	1,108,070
Property, plant and equipment	(119,612,128)	(230,952)	-	(119,843,080)	56,659,424	(115,461)	-	(56,774,885)
Employee benefit obligations	2,675,613	(896,195)	-	1,779,418	2,390,767	(870,245)	-	1,520,522
Others	(3,627,452)	(1,079,865)	(107,252)	(4,814,569)	(1,974,215)	(1,248,462)	(107,252)	(3,329,929)
Total	(117,725,175)	(2,762,439)	(107,252)	(120,594,866)	54,596,062	(2,772,908)	(107,252)	(57,476,222)
Net	(108,196,559)	(7,806,650)	(107,252)	(116,110,461)	54,596,062	(2,772,908)	(107,252)	(57,476,222)

As at December 31, 2015 and 2014, two subsidiary had temporary differences arising from the unutilized tax losses carry forward which have not been recognized as deferred tax assets in the statement of financial position totaling Baht 152.61 million and Baht 172.92 million respectively (because it is not probable that it will be able to utilize the tax benefit in the foreseeable future).

## 22. Share capital

	Par Value (Baht)	2015		2014	
		Number of share (Unit : share)	Amount (Unit : Baht)	Number of share (Unit : share)	Amount (Unit : Baht)
<b>Share capital</b>					
Ordinary shares the beginning of the year	1.00	145,199,967	145,199,967	145,199,967	145,199,967
And change in par value	0.50	145,199,967	-	-	-
Ordinary shares the ending of the year	0.50	290,399,934	145,199,967	145,199,967	145,199,967
<b>Issued and paid-up share capital</b>					
Ordinary shares the beginning of the year	1.00	145,199,929	145,199,929	145,199,929	145,199,929
And change in par value	0.50	145,199,929	-	-	-
Ordinary shares the ending of the period	0.50	290,399,858	145,199,929	145,199,929	145,199,929

In accordance to the minutes of the annual general meeting of shareholders No.1/2558 held on September 24, 2015, has resolution to change par value of ordinary shares from the formerly value of baht 1.00 per share to value of Baht 0.50 per share. As a result, The Company's ordinary shares increase from 145,199,967 shares to 290,399,934 shares. The Company has registered shares value amendment, number of shares and articles of association letter with the Commercial Business Development Department of the Ministry of Commerce, on October 1, 2015.

23. Legal reserve

Section 116 of the Public Companies 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, until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution. For the year 2014, The Company has completed the legal reserve.

24. Dividend paid

Dividend	Approved by	Dividend payment (Unit : Baht)	Dividend paid per share (Baht)	Date of dividend payment
Payment announced from the profit of the year 2014	the Annual General Meeting of shareholder's meeting for 2558 held on April 23, 2015	72,599,964	0.50	May 23, 2015
Payment announced from the profit of the year 2013	the Annual General Meeting of shareholder's meeting no.1/2557 held on April 24, 2014	34,847,983	0.24	May 23, 2014

25. Capital management

The primary objectives of the Group 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, 2015 and 2014, in the consolidated financial statements, debt to equity ratio is 0.89 : 1.00 and 0.53 : 1.00 respectively and the separate financial statements, debt to equity ratio is 0.71 : 1.00 and 0.34 : 1.00 respectively.

26. Natures of expense

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	2015	2014	2015	2014
Salaries, wages and other benefits to employees	159,701,424	140,220,158	51,337,565	47,905,522
Raw material and supplies used	1,070,590,965	909,525,858	-	-
Purchased finished goods	4,818,336	-	-	-
Changes in finished goods and work in process	(22,346,601)	(2,624,999)	-	-
Write down to net realizable value (Reversal)	572,188	(361,103)	-	-
Depreciation	87,400,977	67,510,828	15,597,050	11,637,855
Transportation expenses	17,899,334	19,166,693	-	-
Operating expenses-warehouse	33,210,204	49,185,105	34,705,222	54,478,883
Public utility fee	71,538,826	63,282,636	4,712,559	5,324,849
Finance Cost	39,278,648	21,067,166	16,160,324	11,831,139
Other operating expenses	30,228,229	32,084,972	15,328,232	15,145,166
Total	1,492,892,530	1,299,057,314	137,840,952	146,323,414

27. Income tax expense

Income tax recognized in profit and loss for the years ended on December 31, 2015 and 2014 with the following details :-

	(Unit : Baht)			
	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax expenses	34,721,292	48,355,794	17,026,661	21,708,042
Deferred tax expense (Note 21)				
Movements in temporary differences	7,910,793	7,806,650	1,485,135	2,772,908
Income tax expenses	42,632,085	56,162,444	18,511,796	24,480,950

Income tax recognized in other comprehensive income for the years ended on December 31, 2015 and 2014  
with the following details :-

(Unit : Baht)

	<u>Consolidated financial statements</u>					
	2015			2014		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Actuarial losses arising from defined benefit plan	(4,910,560)	982,112	(3,928,448)	-	-	-
Change in fair value of available-for-sale securities	560,940	(112,188)	448,752	536,260	(107,252)	429,008
Total	(4,349,620)	869,924	(3,479,696)	536,260	(107,252)	429,008

(Unit : Baht)

	<u>Separate financial statements</u>					
	2015			2014		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Actuarial losses arising from defined benefit plan	(2,121,637)	424,327	(1,697,310)	-	-	-
Change in fair value of available-for-sale securities	560,940	(112,188)	448,752	536,260	(107,252)	429,008
Total	(1,560,697)	312,139	(1,248,558)	536,260	(107,252)	429,008

Reconciliation between income tax expenses and the results of the accounting profit multiplied by the  
applicable tax rates for the years ended December 31, 2015 and 2014 as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>	
	2015	2014
Accounting profit before tax	208,888,198	298,824,271
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	41,777,640	59,764,854
Effects of:		
Additional taxable income	(4,969,282)	(7,389,618)
Non-deductible expenses	2,447,024	1,189,718
Loss carry forward	(4,062,613)	(4,650,179)
Others	(471,477)	(558,981)
Total	34,721,292	48,355,794
Movements in temporary differences	7,910,793	7,806,650
Income tax expenses reported in income statement	42,632,085	56,162,444

(Unit : Baht)

	Separate financial statements	
	2015	2014
Accounting profit before tax	108,357,835	142,262,374
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	21,671,567	28,452,474
Effects of:		
Additional taxable income	(3,943,810)	(4,635,097)
Non-deductible expenses	359,980	76,959
Others	(1,061,076)	(2,186,294)
Total	17,026,661	21,708,042
Movements in temporary differences	1,485,135	2,772,908
Income tax expenses reported in income statement	18,511,796	24,480,950

28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit for the period (Unit : Baht)	144,762,300	207,173,138	89,846,039	117,781,424
The weighted average of				
number of ordinary shares (Unit:shares)	290,399,858	145,199,929	290,399,858	145,199,929
Number of the shares after change in par value				
from Baht 1.00 to Baht 0.50 (Unit:shares)	-	290,399,858	-	290,399,858
Basic earnings per share (Baht/Share)	0.50	0.71	0.31	0.41



## 29. Financial information by sectoral

Details of the sectoral business operations in the consolidated financial statements for the years ended December 31, 2015 and 2014, 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 development		Other business		Inter-transaction		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>External revenue :</b>																
Revenue from sales	-	-	-	-	-	-	1,330,374	1,158,728	-	-	-	-	-	-	1,330,374	1,158,728
Revenue from services	230,762	300,483	111,304	109,712	-	-	-	-	-	-	-	-	-	-	342,066	410,195
Inter-segment revenue	118,698	127,645	2,330	2,938	-	-	16,222	14,535	-	-	7,152	7,522	(144,402)	(152,640)	-	-
Total Revenue	349,460	428,128	113,634	112,650	-	-	1,346,596	1,173,263	-	-	7,152	7,522	(144,402)	(152,640)	1,672,440	1,568,923
Profit from operation	175,006	242,590	47,060	46,704	-	-	172,974	165,999	-	-	7,152	1,363	(23,265)	(27,311)	378,927	429,345
Other income															29,341	28,958
Selling and service expenses															(32,991)	(30,044)
Administrative expenses															(127,110)	(108,368)
Finance cost															(39,279)	(21,067)
Income tax expenses															(42,632)	(56,162)
Profit from operation															166,256	242,662
Less: profit of non-controlling interests of subsidiary companies-															(21,494)	(35,489)
Profit for the year															144,762	207,173
<b>Assets used in operation :-</b>																
Trade and other receivables	15,365	46,209	2,974	2,812	9	2,008	214,857	157,517	-	-	-	-	(2,202)	(7,084)	231,003	201,462
Inventories	-	-	-	-	529	529	703,917	253,188	-	-	-	-	(33)	50	704,413	253,667
Real estate development cost	-	-	-	-	-	-	-	-	129,000	103,375	-	-	-	-	129,000	103,375
Investment properties	6,776	132,777	181,570	186,818	-	-	-	-	-	-	-	-	-	-	188,346	319,595
Property, plant and equipment																
- Appropriate	1,121,738	890,052	287,231	309,983	-	-	853,013	820,303	-	-	282,522	-	2,311	(209)	2,546,815	2,020,129
- Central	36,231	20,054	-	-	-	-	-	-	-	-	-	-	-	-	36,231	20,054
Other Assets															227,123	96,365
<b>Total Asset</b>															4,062,931	3,014,647

For the year ended December 31, 2015 and 2014, the Group has no major customer with achieve sale and service volume over 10% of total sale.

30. Commitments and contingent liabilities

30.1 The Group has commitments and contingent liabilities as follows :-

	<u>Currencies</u> (Unit)	<u>Consolidated</u> <u>financial statements</u>		<u>Separate</u> <u>financial statements</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Letters of guarantee (Utilized)	Thousand Baht	12,979	12,305	6,198	6,198
Letters of credit (Utilized)	Thousand Baht	823,427	452,568	-	-
Letters of credit (Utilized)	Thousand USD	11,485	2,500	-	-
Forward exchange contract (Utilized)	Thousand Baht	165,817	248,153	-	-
Letters of credit, trust receipt, short-term loan and forward exchange contract (Unutilized)	Thousand Baht	3,816,945	3,611,275	72,000	107,000
Letters of credit, trust receipt, short-term loan and forward exchange contract (Unutilized)	Thousand USD	6,515	15,500	-	-
Long-term loans (Unutilized)	Thousand Baht	208,795	267,341	105,129	87,400
Collateral short-term loan for subsidiary company	Thousand Baht	-	-	380,000	-

The above credit facilities are guaranteed by the collaterals as mentioned in the notes to financial statements No. 15.

30.2 The Group entered into agreements of construction and decoration of new factory and construction agreements for every projects as follows :-

	<u>Currencies</u> (Unit)	<u>Consolidated</u> <u>financial statements</u>		<u>Separate</u> <u>financial statements</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Contractual value	Thousand Baht	301,831	332,616	117,570	24,717
Remaining binding contractual value	Thousand Baht	189,172	92,143	78,074	6,099
Contractual value	Thousand USD	6,008	-	-	-
Remaining binding contractual value	Thousand USD	537	-	-	-

- 30.3 The Group has obligations in relation to future contracts related sale and purchase goods which still not yet delivered as follows :-

		<u>Consolidated financial statements</u>	
Unit and currencies		2015	2014
Future raw materials purchase contracts	Thousand USD	3,382	8,741

- 30.4 The Group has obligations in relation to operational lease contracts on the part of lessor which will initiate rental income in future for the interval periods as follows :-

		(Unit : Thousand Baht)	
		<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
		<u>2015</u>	<u>2014</u>
Within 1 year		27,173	72,483
More than 2-5 years		-	27,000
5 years onwards		-	-
Total		<u>27,173</u>	<u>99,483</u>

- 30.5 The Group has obligations in relation to operational lease contracts on the part of lessee which will initiate rental expense in future for the interval periods as follows : -

		(Unit : Thousand Baht)	
		<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
		<u>2015</u>	<u>2014</u>
Within 1 year		11,844	-
More than 2-5 years		18,441	-
5 years onwards		11,412	-
Total		<u>41,697</u>	<u>-</u>

### 31. Financial instruments

#### Policy to manage financial risk

The Group possess risk regarding to the change of market interest rate and currency exchange rate and from nonperformance of contractual obligations by counter parties. The Group will consider to use appropriate financial instruments when it considers necessary to manage such risks. However, the Group has no policy to hold or issue any financial instruments for speculation or for trading.

#### Risk on credit provision

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

#### Risk on interest rate

The Group' risk on interest rates is derived from the change of the market interest rates in the future, which affect upon the Group's operating result and cash flow. However, the Group 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 with the following details :-

(Unit : Baht)

Consolidated financial statements					
As at December 31, 2015					
	Fixed interest rate		Floating	Non	
	Within		interest bearing	interest bearing	
	1 year	2 to 5 years			Total
<u>Financial assets</u>					
Cash and cash equivalent items	-	-	158,300,242	22,532,944	180,833,186
Other long-term investments-government bonds	-	860,410	-	-	860,410
Trade and other receivable	-	-	-	231,003,164	231,003,164
Total	-	860,410	158,300,242	253,536,108	412,696,760
<u>Financial liabilities</u>					
Short-term loans from financial institutions	480,656,014	-	483,000,000	-	963,656,014
Long-term loans from financial institutions	-	-	618,214,735	-	618,214,735
Liabilities under long-term lease contracts	5,089,644	1,362,684	-	-	6,452,328
Trade and other payable	-	-	-	135,362,210	135,362,210
Total	485,745,658	1,362,684	1,101,214,734	135,362,210	1,723,685,287

(Unit : Baht)

## Consolidated financial statements

As at December 31, 2014

	Fixed interest rate		Floating	Non	
	Within		interest bearing	interest bearing	
	1 year	2 to 5 years			Total
<u>Financial assets</u>					
Cash and cash equivalent items	-	-	60,077,805	5,909,710	65,987,515
Other long-term investments-government bonds	-	867,711	-	-	867,711
Trade and other receivable	-	-	-	201,462,427	201,462,427
Total	-	867,711	60,077,805	207,372,137	268,317,653
<u>Financial liabilities</u>					
Short-term loans from financial institutions	120,693,277	-	68,000,000	-	188,693,277
Long-term loans from financial institutions	-	-	547,329,105	-	547,329,105
Liabilities under long-term lease contracts	1,791,898	4,346,305	-	-	6,138,203
Trade and other payable	-	-	-	116,318,613	116,318,613
Total	122,485,175	4,346,305	615,329,105	116,318,613	858,479,198

Risk on exchange rate

Regarding risk on exchange rates of the Group, mainly involves with purchased assets under the foreign currencies, As at December 31, 2015 and 2014, the Group obtained liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted the following details :-

<u>Currency (Unit : Thousand)</u>	<u>Consolidated financial statement</u>	
	<u>2015</u>	<u>2014</u>
EURO	537,150	-

As at December 31, 2015 and 2014, a subsidiary company conducted a foreign exchange forward contract with a commercial bank to hedge against exchange rate risk from debt repayment denominated in foreign currency with the following details :-

	<u>Unit and currencies</u>	<u>Consolidated financial statements</u>	
		<u>2015</u>	<u>2014</u>
Amount fixed in contract	USD	10,539,048	10,011,603
Amount earned in forward contract	Baht	373,617,232	330,828,109
Fair value under the forward contract	Baht	381,556,199	330,815,718

The fair value of foreign exchange forward contract computed by using rates determined by those counter contract party banks as of the date in the statements of financial position.

### Fair Value

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

#### 32. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group 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, 2015 and 2014, in the consolidated financial statements, the Group contributions amounted to approximately Baht 0.71 million and Baht 0.93 million respectively and the separate financial statements Baht 0.15 million and 0.31 million respectively.

#### 33. Fair value measurement

As of December 31, 2015, the Group had assets which measured and disclosed fair value using different levels of inputs as follows:

				(Unit: Baht)
Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Land stated at revalued method	-	807,360,612	-	807,360,612
<b>Financial assets disclosed at fair value</b>				
Available-for-sale investments	1,512,408	-	-	1,512,408
Investments in subsidiary and warrant	603,571,487	-	-	603,571,487
Investment properties	-	-	242,408,757	242,408,757

(Unit: Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Land stated at revalued method	-	326,334,821	-	326,334,821
<b>Financial assets disclosed at fair value</b>				
Available-for-sale investments	1,512,408	-	-	1,512,408
Investments in subsidiary and warrant	603,571,487	-	-	603,571,487
Investment properties	-	-	761,009,232	761,009,232

During the current period, there were no transfers within the fair value hierarchy.

34. Privileges from investment promotion

A subsidiary company received an investment promotion certificate no. 58-2293-1-00-1-0 date on August 31, 2015, for businesses relating transfer goods for cargo ship from the Board of Investment of Thailand (BOI) under the Investment Promotion Act B.E. 2520 sections 25 26 28 31(1) (3) (4) and 34, 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 current capital for the period of 5 years, but not exceeding amount of Baht 198.00 million, that it will be change to the amount of an investment excluding land cost and the current working capital, commencing from the first date of earning operating income from promoted business. A subsidiary company had not earning operating income from business which received investment promotion.

35. Litigation

A lawsuit had been field against the subsidiary company regarding default of the merchandise shipping contract which claiming in the amount of Baht 14.03 million and interest charges rate 7.50% per annum until the payment is settled.

Later, January 15, 2016, the Civil court has ordered the subsidiary to pay the creditor in the amount of Baht 2.00 million. However, the subsidiary is being appealed against the ordered with the appeal court. The amount of payable has not yet been finalized, so the subsidiary has not recorded provision in connection with those claims.

36. Reclassified

Certain transactions in the statements of financial position as at December 31, 2014, have been reclassified to correspond with the presentation of the financial statements for the year ended December 31, 2015, with no effect to the reported total comprehensive income for the year or shareholders' equity. The reclassifications comprised of the follow:-

	(Unit : Baht)		
	Consolidated financial statements		
	Before reclassified	Reclassified	After reclassified
<b><u>Statements of financial position as at January 1, 2014</u></b>			
Deferred tax assets	-	9,528,616	9,528,616
Deferred tax liabilities	(108,196,559)	(9,528,616)	(117,725,175)
<b><u>Statements of financial position as at December 31, 2014</u></b>			
Investment properties	319,595,305	(126,001,291)	193,594,014
Property, plant and equipment	2,040,183,662	126,001,291	2,166,184,953
Deferred tax assets	-	4,484,405	4,484,405
Deferred tax liabilities	(116,110,461)	(4,484,405)	(120,594,866)

37. Approval of financial statements

These financial statements have been approved for issuance by the Company's board of directors on February 25, 2016.