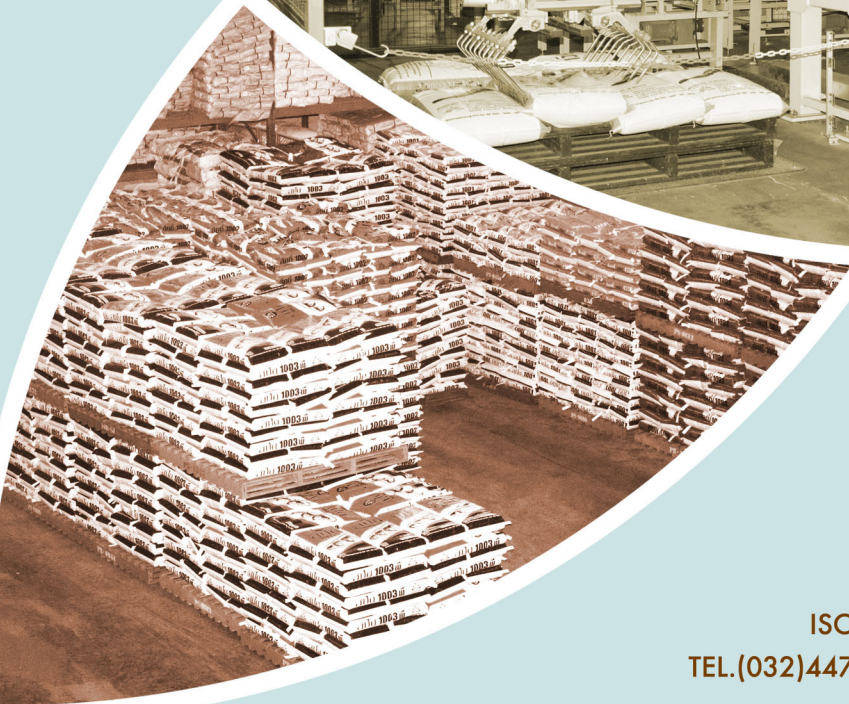
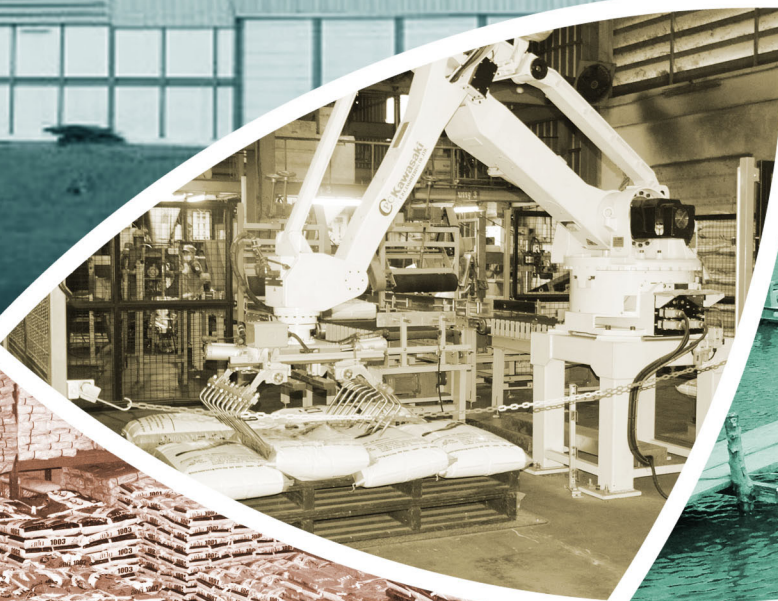


ANNUAL REPORT 2014

Thai Luxe Enterprises Public Company Limited



ISO 9001:2008, ISO 14001:2004, GMP, HACCP
TEL.(032)447-681-8/FAX.(032)447-689/www.thailuxe.com

1

Mission

1. Being a company that provide full services to aqua-culturists
2. Being a company that operates based on equitability, good governance principles, and social responsibilities
3. Continuously dedicated on research and development of products in order to fulfill customer's needs beyond other competitors
4. Manufacture products which have accepted quality, convenient and safe, and eco-friendly
5. Support development of employees at all levels to gain more knowledge and abilities for business expansion and sustainable growth of the organization

2

Vision

Being a leading aquatic animal feed producer in ASEAN which satisfies aqua-culturists with products that have above standard quality and variety of services which are continuously developed in order to create happiness and better life for all related sectors.

The company has organizational culture that give importance to its staffs who has ability, responsibility, dare to think and dare to decide based on uprightness, knowledge seeking, and able to share their experiences in order to sustainable help develop and create excellence for the organization.

3

Corporate Value

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Investor can learn more company information from Annual information form 56-1 which has been shown at www.sec.co.th or the company website.

Message from the Board of Directors



Since the occurrence of Early Mortality Syndrome (EMS) in shrimps in Thailand from 2012 until the present, it has been more than 3 years that the industry experienced severe damages to shrimp production volume which decreased from 600,000 tons per year to 200,000 tons in this year especially the first half of this year which shrimp production is less than 100,000 tons. In order that, aqua-culturists have lost their morale and not dare to risk by releasing baby shrimps to the farm at full capacity. Therefore, the export sector have lost foreign money of several ten billions baht.

From the studies and follow up of Vietnam which ever faced the syndrome on shrimps and have been recovered in later years, it can be summarized that the EMS on shrimps is a liver decease found on baby shrimps which is inherited from inbreeding that cause baby shrimps to have low immunity. In order that, the cooperation from government sector by Department of Fisheries has provided original breeders of 1,500 pairs at the end of 2nd quarter of the last year and also imported breeders from other countries to be new generation breeders and distributed to the farms in order to replace the previous breeders which are inefficient. This scheme has built up morale and courage to aqua-culturists which resulted in more volume of baby shrimps were released into the farm. As a result, the market has witness more volume of shrimp production and the companies that product shrimp feed also have progress of shrimp feed development as well.

For fishery industry, the trend has gone in the opposite direction during the last few years after aqua-culturists have turned to cultured more fish on the farms that are uninhabited of shrimps or co-culturing of both shrimps and fish in the same farm according to the market that has higer demand from health preservation trend.

The company's management team has been closely follow up the situation and adapt its income strategy by emphasizes on fish feed instead of shrimp feed which have been decreased. Currently, Petchaburi plant is producing at its full fish feed capacity which is a risk management of not relying on shrimp feed as their main products like in the past. Simultaneously, Thai Luxe Food Products Co., Ltd. (former SMP Food Products Co., Ltd.), a subsidiary company, has increase its production lines of frozen fish which consisted of frozen Tilapia, Jullien's Golden-Price Carp, and Small-scale mud carp to replace the frozen shrimp production.

In 2014, the company's balance sheet has been weaken company to the previous year which its income has reduced by several millions baht due to the sales of shrimp feed and experienced a loss of tens of million baht after recognized the expenses of the new plant in Songkla province which is ready to open the production lines around the end of 1st quarter of 2015 together with the loss of Thai Luxe Food Products Co., Ltd.



Mr. Anurot Seneepakonkai
Chairman of the Board of Directors On behalf of the Board of Directors



Message from Audit Committee

Regarding the execution of Audit Committee of Thai Luxe Enterprises Public Company Limited in the last year, the committee has complete its tasks among fluctuation situation of the industry. The Audit Committee is still holding to the principle of taking care of the benefits of shareholders and stakeholders which shall be according to the standards of good governance and social responsibilities of the organization.

The Audit Committee has correctly and sufficiently audited the financial statement, enhances to have suitable and efficient internal control and internal audit, enhances re-examination to be in accordance with the laws and related regulations, select and appoint of auditor and also proposed the remuneration of such auditor in shareholder's meeting. Moreover, during execution, the Audit Committee has regularly meeting and discuss with auditor about company's operations.

In 2014, Audit Committee has executed risk management works to be more clearly by having its representatives to follow up and directly report to the Audit Committee. Besides, Audit Committee has supported management team regarding good governance and organizational social responsibilities which are the practices that The Stock Exchange of Thailand and investors are interested in.

The Audit Committee is still holding to the duty of protecting interests of the company, shareholders, stakeholders, and continuously emphasizes on innovative operations.

ASST.PROF. Phiphat Nonthanathorn, Ph.D.
Chairman of the Audit Committee On behalf of the Audit Committee

Financial Information

		2014	2013	2012
Sales	(Baht)	2,155,625,811	2,550,942,788	3,205,318,039
Gross Profit (Loss)	(Baht)	(10,664,802)	43,610,095	147,986,683
Earning per Share	(Baht)	(0.02)	0.10	0.36
Total Asset	(Baht)	1,666,256,279	1,762,431,518	1,856,838,972
Total Liabilities	(Baht)	337,669,670	420,975,468	521,803,275
Shareholders' Equity	(Baht)	1,329,156,756	1,341,456,050	1,335,035,697
Book Value	(Baht)	2.97	3.06	3.00
Return on Asset	(%)	(0.62)	3.97	13.69
Return on Equity	(%)	(0.80)	3.29	13.82
Debt to Shareholders	(times)	0.25	0.31	0.39
Dividend Yield	(%)	0.00	89.89	62.10
P/E Ratio	(times)	0.00	16.52	10.40

Business Overview

The company is determined to develop its full-cycle business along the strategic line of FEED-FARM-FOOD. That is to operate the principal business of producing aquatic feed to be divided into the production of shrimp feed and fish feed and the aquatic animal culture farm as to increase the opportunity for business expansion as well as the operation of frozen processed shrimp food business through its subsidiary company to achieve growth target of the business continually.

Thai Luxe Enterprises PCL. was incorporated on 11 June 1987 with registered capital of 20 million Baht by the Seneepakonkai family and the shareholders of Taiwanese nationals with the objective to operate the business of import of aquatic feeds for distribution and the business of tiger prawn culture. Subsequently, the business expanded to the production of shrimp feed and fish feed for distribution.

Originally the company had only shrimp feed and fish feed production factory alone, that is, Samutsongkram Factory. Later in 1999, the company expanded the business through opening a new factory in Phetchaburi province and discontinued the production of shrimp feed line in Samutsongkram Factory and then relocated the whole shrimp feed production line to Phetchaburi Factory. Subsequently in 2004, the company started the fish feed production line in Phetchaburi factory and stopped the production line of fish feed in Samutsongkram factory, thereby Samutsongkram factory did not produce any goods at all. However, the company permitted Thai Luxe Food Products Company Limited (former name SMP Food Products Company Limited), which at that time was the associated company to lease the cold storage as the company then did not find it necessary to use the said cold storage.

The company then expanded its business opportunity to frozen processed shrimp product business with increased investment in Thai Luxe Food Products Company Limited (former name SMP Food Products Company Limited), which operates the business of production and distribution of frozen processed shrimp food products for export and domestic distribution. Currently the company has the ratio of shareholding in Thai Luxe Food Products Company Limited (former name SMP Food Products Company Limited) at 97.79 percent of the authorized paid-up capital.



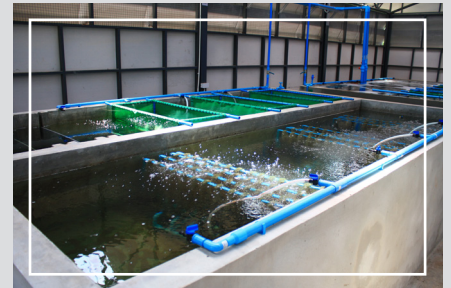
Moreover, the company yet invested in Thai Demeter Co., Ltd., with shareholding ratio of 100 percent to run a business of distribution of raw materials used for production of aqua animal feeds as smaller aqua animal feed producers did not have purchasing power to buy the raw materials in bulk quantity, thereby they were deprived of bargaining power in terms of price with the suppliers of raw materials. As a result, the company envisioned channels for distribution of the said raw materials as to earn supplement income for the company.

Together, the company also expanded its business activity to aquatic animal culture farm to ensure that the company's business comes full cycle. That is to say, the company has both the aquatic animal culture (FARM) business, the business of producing aquatic animal feed (FEED) business and the frozen processed shrimp (FOOD) business.

Throughout the period of its business engagement since its establishment, the Company had consistently and progressively developed and improved its manufacturing standard by acquiring advanced technology. The Company has been awarded the certifications as follow :

1. ISO9001 : 2008 certificate from United Registrar of Systems (Thailand) Limited
2. ISO4001 : 2004 certificate from United Registrar of Systems (Thailand) Limited
3. GMP certificate
4. HACCP certificate
5. Q Mark certificate
6. ISO/IEC17025 : 2005 certificate from Department of Science Service

The company is the first aquafeed manufacturer who has been awarded GMP and HACCP before the government announced 2004 to be the "Year of Food Safety." It is possible that the Company as one of the leading experts in aquafeed manufacturer of Thailand.



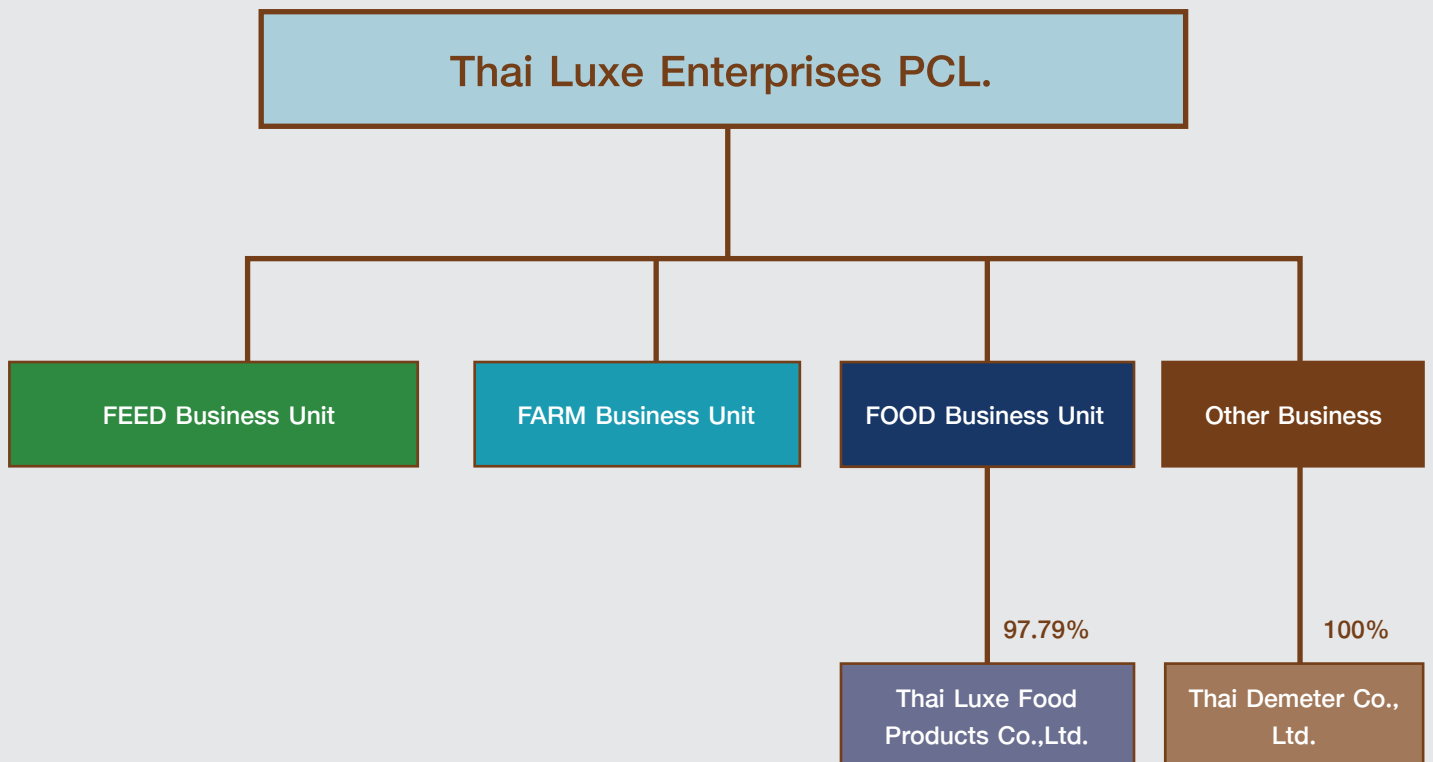
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Year	Changes and Developments
1987	Set up the company on 11th June to import shrimp feed from Taiwan and start raising Black Tiger Shrimp.
1989	Constructed the shrimp feed factory and frozen shrimp processing factory at Samutsonkram.
1990	Started production of shrimp feed for local market and frozen shrimp processing for exports, and decreased the proportion of importing feed.
1993	Increased the production variety by adding fish feed production line and received the Annual Excellence Award 1993 for Agricultural Industrial Exports.
1994	Transformed into a Public Company in February to sell shares to the public and the Company received permission to be registered at Securities Exchange of Thailand in September.
1998	The Company stopped production of frozen shrimp processing line as the local economy faced doldrums.
1999	<p>Opened a new factory in Petchburi province and the manufacturing base for shrimp feed was moved totally to the new factory.</p> <p>Investment was made by acquiring shares 10% in SMP Food Products Company Limited. Engaged in the business of manufacturing and distributing frozen shrimp processing locally and for exports.</p>
2001	Earned the ISO 9002 from the Institute UKAS, United Kingdom, which recognized our shrimp feed factory as Thailand's first certified ISO 9002 quality system.
2003	Earned ISO 9001:2000 from the UKAS of United Kingdom and the shrimp feed factory also earned the recognition under GMP and HACCP from Livestock Department and thus recognized as the first shrimp feed factory to have received the recognition of both Institutions, including received The Q Mark from Livestock Department.

Year	Changes and Developments
2004	Expanded fish feed production capacity by construction of a new fish feed factory in Petchburi province, and also increased in equity in SMP Food Products Company Limited so that shareholdings in SMP Food Products Company Limited became 21.43%.
2005	Changed the shares par value from 10 Baht to 1baht and issued and offered warrant to purchase ordinary shares of the Company to existing shareholders, and also issued and offered warrant to purchase ordinary shares of the Company to directors and staffers of the Company under the ESOP.
2007	Earned recognition under GMP and HACCP from Livestock Department for fish feed factory in Petchburi province, so that the Company enjoyed both shrimp and fish feed standards completely.
2008	Stopped the production of fish feed factory in Samutsongkram province, for moving manufacturing base to Petchburi factory.
2009	Earned ISO 9001 : 2008 certificate and changed Company's logo to show the step by step approach to highest efficiency with efforts for environmental balance and social commitments.
2011	<p>Increased the Company's registered capital to support an issuance of warrant to purchase ordinary shares of the Company No. 2 (TLUXE-W2) to existing shareholders, warrant to purchase ordinary shares of the Company to directors and staffers of the Company under the ESOP No.2 (TLUXE-ESOP2) and to support an issuance of Taiwan Depositary Receipts (TDRs).</p> <p>Received "Company Performance Awards" and "Outstanding CEO Awards" in SET AWARDS 2011by The Stock Exchange of Thailand.</p> <p>Increased in equity in SMP Food Products Company Limited so that the Company's share holdings rose to 96.43%, the Company's status also rechanged from Affiliated to Subsidiary.</p>

Year	Changes and Developments
2012	Earned ISO4001:2004 certificate from United Registrar of Systems (Thailand) Limited.
2013	<p>Acquired 100% shareholdings in Thai Demeter Company Limited to supply aquafeed raw material.</p> <p>Established the research and development center in Samutsongkram area to be research and development unit of aquafeed and economic aquatic species.</p>
2014	<p>Increased in equity in SMP Food Products Company Limited so that shareholdings became 97.79%, and renamed to Thai Luxe Food Products Company Limited.</p> <p>Earned ISO 9001:2008 certificate from Department of Science Service, to build confidence in the test results of the company's laboratory.</p>

Business Structure



Nature of Business

Revenue Structure

Revenue	2012		2013		2014	
	Million baht	%	Million baht	%	Million baht	%
Revenue from feed business	2,600.90	81.14%	2,005.45	78.62%	1,831.82	84.98%
Revenue from the frozen processed business	334.82	10.45%	225.05	8.82%	244.42	11.34%
Revenue from farm business	95.83	2.99%	39.46	1.55%	29.57	1.37%
Other Recenues	112.84	3.52%	252.75	9.91%	28.65	1.33%
Total Revenue from Sales	3,144.39	98.10%	2,522.71	98.89%	2,134.46	99.02%
Service income	1.39	0.04%	0.14	0.01%	-	-
Rental income	0.50	0.02	0.16	0.01%	0.16	0.01%
Other income	59.54	1.84%	27.93	1.09%	21.01	0.97%
Total Revenues	3,205.82	100.00%	2,550.94	100.00%	2,155.63	100%

Feed Business

Aquatic feed production is divided into two main operations, namely the production of Shrimp feed and the production of fish feed. Current production facilities are located in Petchaburi Province. Both of production are full cycle operation, which begins from the procurement of raw material, production, sales and distribution, with a capacity of 80,400 tonnes of shrimp feed per year and 61,000 tonnes of fish feed per year. There are separated production lines for shrimp feed and fish feed, including with the separated raw material storage to maximize efficiency in the production. The other departments such as sales and marketing, purchasing, and quality assurance and so on will be supported from the central administrative.

Aquatic feed will be produced in a feed pellet by blending agricultural crops include wheat flour, fish meal and soybean meal as main ingredients. The whole manufacturing process are monitoring by the computer to get the feed quality and consistency standards set.

The products of the company has the distribution channels via its dealers available in the shrimp farm and fish culture farm areas countrywide and some portions were distributed direct to farmers who own the farms or the farmers who are united in a group or a cooperative to spread the products via 5 branches in every region of the country in addition to direct purchase from the company.

For this purpose, the company has the animal feeds research and development center located in Samutsongkram province to accommodate the expansion of its capacity for research and development of aquatic animal feeds to respond to the ever-changing food technology and to further develop the food formula for aquatic animals to ensure good growth and a good Feed Conversion Ratio (FCR).

Further, the company also established a new aquatic animal feed factory in Songkhla province due to the southern region area has high concentration of shrimp farms with total quantity of shrimp culture production as high as 65 percent of gross productivity with total shrimp feed production stood at 60,000 tons per year and fish feed production at 72,000 tons per year. Currently the factory is in the process of installing equipment. It is expected that the project could go into production in March 2015.



Shrimp Feed products

There are 4 categories as follow

Black Tiger Shrimp Feed under brand name Thailuxe, Lucky, Speed, Deluxe



“THAILUXE” Black Tiger Shrimp Feed



“LUCKY” Black Tiger Shrimp Feed



“SPEED” Black Tiger Shrimp Feed



“DELUXE” Black Tiger Shrimp Feed

Fresh Water Prawn Feed under brand name Thailuxe.



“THAILUXE” Freshwater Prawn Shrimp Feed

Vannamai Shrimp Feed under brand name Thailuxe and Vanna



“THAILUXE” White Shrimp Feed



“VANNA” White Shrimp Feed

Economy Shrimp Feed under brand name Thailuxe, Lucky, Speed.



“THAILUXE” Economy Shrimp Feed



“LUCKY” Economy Shrimp Feed



“SPEED” Economy Shrimp Feed

Fish Feed Business

There are 5 categories of Fish Feed and 1 category of Frog Feed as follow

Catfish Feed under brand name Thailuxe, Lucky, Work



“THAILUXE” Catfish Feed



“LUCKY” Catfish Feed



“WORK” Catfish Feed

Tilapia Fish Feed under brand name Speed



“SPEED” Tilapia Fish Feed

Vegetarian Fish Feed under brand name Thailuxe and Work



“THAILUXE” Vegetarian Fish Feed



“WORK” Vegetarian Fish Feed

Snapper fish feed under brand name Thailuxe



“THAILUXE” Snapper Feed

Pengasuis Catfish feed under brand name Work



“WORK” Pengasuis Catfish Feed

Frog feed under brand name Thailuxe



“THAILUXE” Frog Feed

Frozen Processed Food Business (FOOD)



Thailuxe Food Products Co., Ltd., (a subsidiary company) is a producer and distributor of quality frozen processed food products. The company has a policy to operate the business in tandem with social responsibility by attaching importance to the the research and development as to develop a variety of products to meet the changing market and finding ways to increase productivity under the established quality continually as to reduce the use of resources, cost of production, creation of pollutant and destruction of the environment with the resolve to produce the goods of the standard par excellence; the goods are safe for consumers, are environmentally-friendly. Moreover, importance must be attached to raw materials coupled with verifiability back to the source of raw materials used in production to serve as the quality of warranty of the goods and the effectively reflect the style of management of the company, with total production of approximately 2,400 tons per year.

Currently, the company has received the certification standard as follow:

1. ISO 9001 : 2008 certificate
2. GMP certification
3. HACCP certification
4. BRC certification
5. HALAL mark

The products of the company comprise : 1) Frozen processed shrimp products such as frozen boiled shrimp, 2) the valued-added food products such as frozen skewered cooked shrimp, frozen fried shrimp on bread crumbs, 3) ready-to-eat food products such as frozen shrimp porridge, which is a cooked ready-to-eat food, 4) Frozen processed fish products such as frozen fresh Nil fish.

Shrimp products can be processed then go through the freezing process, or can be mixed with other components and cooked through procedures to add value for being ready to eat foods or meals, then go through the freezing process, for distribution to customers both domestic and abroad. Regarding fish products, it is processed and freezing product, to be exporting to the foreign customers.

Domestic market will be contracted production in the format of OEM to 7-11 convenience stores. For exporting market, the production will be according to specific need of the customer to be sold under the buyer's brand. The price is agreed on each sale deal or according to a trading agreement. Major importing countries are European Union, Japan, U.S.A, Canada, Australia and other Asian countries. In 2014 selling ratio between domestic market and exporting market was 50:50

The Aquatic Animal Culture Businesses (FARM)

The main objective of operating the aquatic animal culture farm in Kanchanaburi province is specifically to support the research on sale development of the company and to ascertain actual cost-effectiveness of the aquatic animal culture. Incidentally, the company is to receive the benefit commercially from traders who are running shrimp rafts, fish rafts or cold storage businesses, which offer the price to the company. The sale deal will be made with those offer the highest price.

For fish farm in Kanchanaburi have ceased operation due to not renew the lease, by the issues of environmental management, so the farm will be combined to Klong Khone farming area. At the same time, the farming area in Klong Khone had to be cut down the size in order to enhance the management and personnel adequacy.



• Shrimp Feed Market •

Animal feed industry will grow in tandem with animal culture industry. For if in any particular year, the shrimp farm industry grows in a promising direction, the volume of sale of animal feed would as well grow in tandem with the animal culture in such year. If for any year, the shrimp farm industry encounters problems such as epidemic, flooding, the volume of animal feed would be on the decline in tandem with the situation of animal farming for such particular year as well.

Thailand's shrimp industry is a product champion of the country that generate income for related parties from farm to table. In the part, shrimp's culturing in Thailand uses Tiger prawn as their major breed to be cultured and exported since it is a local breed with distinctive such as large in size, good taste and beautiful in color. However, after the lack of breeds along with the occurrence of vannamei shrimp which has been developed to become easy culturing and high productivity, Thai aqua-culturists has changed from Tiger prawn to vannamei shrimp since 2001 and resulted in the productivity of Tiger prawn has been reduced to 1% of overall shrimp productivity. Since the year of 2007, productivity of vannamei shrimp has increased almost every year due to the increase in efficiency and culturing technology, therefore, the productivity of vannamei shrimp has been over 500,000 tons per year.

However, in the end of 2012 and continued to 2013, Early Mortality Syndrome (EMS) has occurred which the bacteria damages liver's and pancreas' cells in shrimp that causes abnormal death in White shrimps which were cultured in the farm. The EMS was firstly spread in China in 2009 and rapidly spread to Vietnam in 2010, Malaysia in 2011, and Thailand in the end of 2011 respectively. The syndrome was first found in the Eastern region in Chantaburi and Rayong and started to spread all over the country including Southern region which is heavily culturing the shrimp and it causes severe damages to Thailand's shrimp farming industry in the beginning of 2013 and onwards. Due to the rapid spread and damages to aqua-culturists, this has caused aqua-culturists to be lacked of confident to culture the shrimps and have to temporarily stop their shrimp culturing including putting more precautions in releasing new generation of shrimp since it has been failed for the past several times. Therefore, shrimp feed manufacturers have to reduce their production capacity to be in accordance with industry situation.

• Table 1 Thai Shrimp Production year 2007 – 2014 •

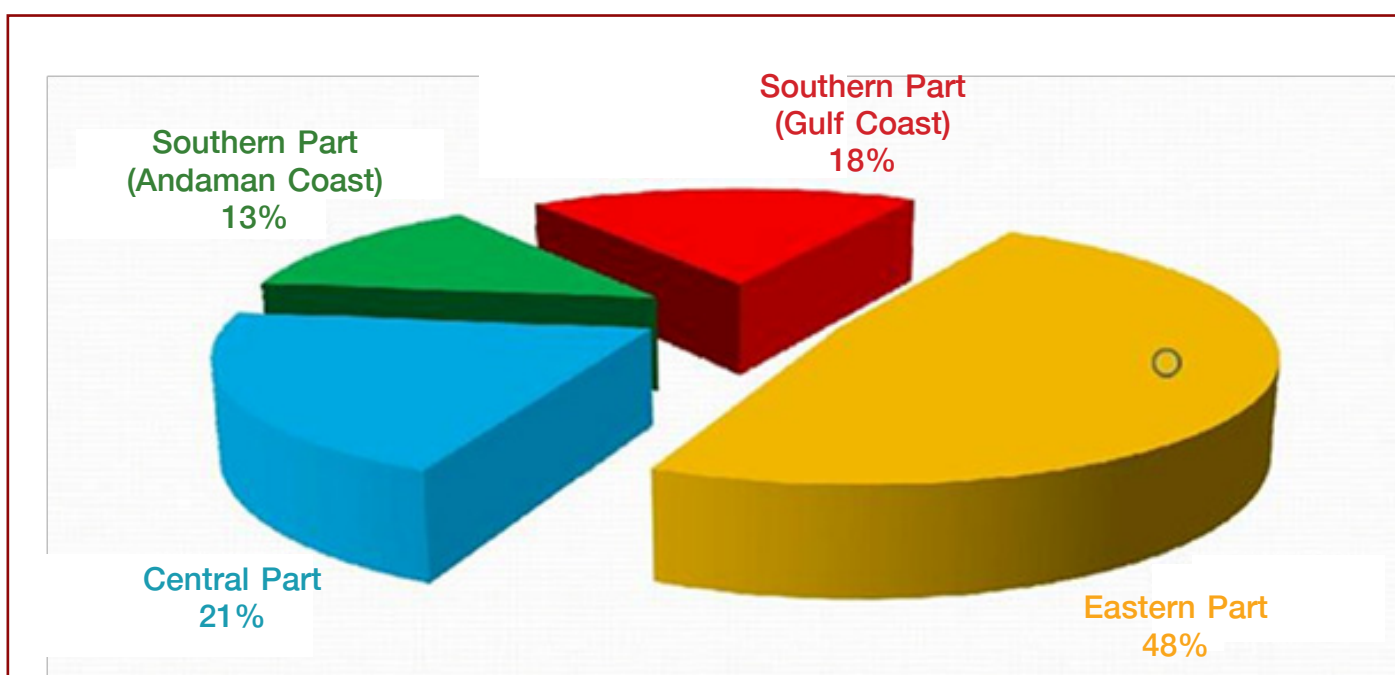
Year	Quantity (MT)	% Change
2007	530,000	5.66
2008	495,000	-7.55
2009	563,000	13.74
2010	640,000	13.68
2011*	600,000	-6.25
2012	540,000	-10
2013	255,000	-53
2014	217,000	-14.90

* Disease EMS outbreak began in late 2011

Source : Department of Fishery

• Shrimp's situation of Thailand in 2014 •

In 2014, Thailand's shrimp industry have continuously faced many problems regarding the effect of Early Mortality Syndrome (EMS). The shrimp farmers have to culture the shrimps among the EMS situation which cause the productivity of shrimp, major export aquatic animal products, to be reduced to around 217,000 ton comparing to the previous year of 255,000 tons. The shrimp production proportion by areas are as followings :



The region with the most productivity is Eastern region with 48% of culturing area, Central region of 21%, and Southern region which used to be the region that contained 65% of overall productivity and the most productivity region, but since the spread of EMS, its productivity has been decreased since half of the farmers in the Andaman area has slow down their farming activities especially Surat Thani province which mostly contained by large farms, therefore, the Southern region contained only 31% of overall culturing area.

However, many aqua-culturists have adapted to find new ways of culturing and have exchanged information among themselves, therefore, many farmers have success in their shrimp culturing with improved survival rate since August and September. Since the trend of Early Mortality Syndrome (EMS) has been improved and Department of Fisheries has rapidly operate the EMS rectification scheme since the beginning of 3rd quarter of 2014 by importing disease-free breeds in order to produce quality breed of baby shrimps to farmers and also increase of system efficiency, screening, protection, and follow up, the shrimp production situation in many areas has recovered to normal condition.

• Trends of shrimp feed industry •

Mr. Poj Aramwattnanont, President of Thai Frozen Foods Association, gave an interview for Thansettakij newspaper that “In 2015, tentatively, shrimp productivity of Thailand is estimated to be not less than 300,000 tons which the increase volume can be seen from the inspection sampling of shrimp farmers has been increased since August 2014 with better survival rate and average productivity of 5.6 tons from 1 million baby shrimps that were released comparing to 2.4 tons from the beginning of the year which can see that the survival rate has improved by almost 1 time. This success was partly from the Department of Fisheries regarding resolving EMS which include improving the farm itself, improving the breeds, production of bio-water to be used in culturing, and Council for Peace and Order (NCPO) has approved special budget of 200 million baht to Department of Fisheries to resolve such problems by importing the breeds during last September-October in order to produce quality baby shrimps to farmers for better survival rate. Moreover, the government has given importance in business sector by supporting means and courses which enable Ministry of Agriculture and Cooperatives (Department of Fisheries) to efficiently resolve the problems. The cooperation between private sector of manufacturers and farmers regarding academic matters to improve the breeds to become suitable for domestic culturing conditions has resulted in better baby breeds which can be seen by better survival rate August’s statistical data of Department of Fisheries that the numbers of shrimps that were caught into the market has increased. This can attract farmers and the farmers can gain more confident to release the shrimps. It is expected that in 2015, the farmers will increase numbers of shrimp farming along with higher survival rate, the overall picture of aquatic animals of Thailand in 2015 shall be recovered.

However, even EMS has be eliminated by any means, but the shrimp farming behavior shall be different from the past. The releasing volume of baby shrimp per rai will be reduced almost by half, lesser feed to be consumed, and lesser culturing time to reduce risks. In the case if farmers believed that the EMS can be resolved in the long term, the culturing behavior will be recovered to the previous level.

Moreover, the company has defined 3 support guidelines, namely, 1) giving advice on selecting the quality baby shrimp, 2) selection of good quality shrimp feed as to build immunity for the shrimp, 3) an emphasis is made on hygienic management of shrimp farm as to be devoid of disease contamination, including the development of shrimp feed formula as to strengthen the physical health, disease immunity and sustainability of shrimp farming, and also fine revenue by reducing the dependence on revenues from shrimp feed.

• Fish Feed Market •

Fish culture is an occupation that has stayed with Thai people for a long time and is continually expanding. The average growth rate is 10 percent per year. Fish culture industry is considered as one of the fastest growing global food production industry. This is in compensation to the productivity of fish in the ocean which has been on the drastic decline owing to excessive catch to meet human need for food. Currently more than half of the quantity of fish consumed by human being comes from fish culture. About 91 percent of the fish productivity comes from countries in Asia Region. An expert on fish culture estimated that global quantity from fish culture would increase another 50 percent from the present within the period of the next 15-20 years.

The domestic fish culture industry has been continually developing from small fish farmers to commercial fish culture, having been promoted by both the government and private sector. The fish cultured industrially is principally still the catfish, red tilapia (Pla Thapthim) and Nile Tilapia (Pla Nil). The farming area spreads countrywide in every location with availability of water source. The price of the fish is attractive and the demand for consumption is on the increase continually. Currently due to lack of perfect water source for fish farming, healthy fish breeder with good disease immunity; the lack of up-to-date technology and skilled labor becomes the obstacle to fish farming.

In 2014, fish productivity from farming and the consumption of fish feed (table 3) are not quite varied comparing to 2013 since farmers have faced fluctuations of climate, hot weather, higher temperature in the daytime, and faster summer season at the end of February. After that, some areas have experienced drought in the drought season and entered rainy season in May which the rain of this year has been more delayed than in the past along with lesser amount of rain due to El Nino which cause the water volume in the dams to become less than expected. Moreover, some areas have experience heavy rain due to La Nina and tropical storms which causes flood in the month of September in Nothern, Northeastern, Central and Eastern regions (source : Meteorological Department) and also causes Tilapia farmers more troubles, the fish have lower growth rate, weak, easily sick, and farmers need longer culturing time. Most farmers resolve the problem by reducing numbers of released fish, use aerator and air pump to increase oxygen in the water. The Tilapia production from farming in 2014 is expected at 174,872.0 tons which is 8.7% increase from the previous year.



• **Table 3 Fish Feed Consumption** •

2013		2014		Feed Consumption	
Number of Fish (Million)	Feed Consumption (Mt)	Number of Fish (Million)	Feed Consumption (Mt)	Increased (Decreased)	
				Quantity (MT)	%
300,000	507,048	339,600	509,980	2,932	0.58

Source : Thai Feed Mill Association

NileTilapia fish is an economic fish with global demand; but the domestic production mainly is used for consumption with only 30 percent of total production went to export. The Middle East countries are first-ranked major trading partner, with the U.S.A coming second place, and the EU and countries in Asia coming third place.

The Department of Fisheries has a policy to push for Nile Tilapia fish as one of an export goods of Thailand thanks to its good quality standard recognized in the world market and there is no substance deposit in the fish products. As the domestic market likes to consume Nile Tilapia and there are opportunities to expand the market to restaurants, fish markets for fresh Nile Tilapia as well as frozen Tilapia market to feed Western restaurants in Thailand in substitute for expensive imported fish.

• **Trend of fish feed industry** •

The situation of fish farming in 2015 shall still emphasizes of Tilapia since this fish still have market demand. For Catfish, the farming would be at the same level since the price of catfish has been reduced and not attractive to increase the volume. For the first half of 2015, is it expected that Tilapia farming in floating baskets shall be 60% of the overall amount since the water volume in water sources is starting to reduce together with the amount of fish breeds that are lower in production during the low season. The culturing volume will be increase by the end of 2nd quarter and continue to the 4th quarter of the year.

The fish farmers must therefore undergo considerable adjustment and start to manage water effectively to control the cost of breeding and must be ready to develop to the standard fish farm in accordance with the GAP:GOOD AGRICULTURAL POLICY as to achieve consistent productivity and better fish quality. This is to develop the product quality and cost of production to make Thailand the leader of fish production of quality to ensure the quality of Thai nile tilapis is consistent with the need of buyers, thus enable Thailand to compete in world market and for sustainability of nile tilapia culture.

However, the expansion of nile tilapia fish market must meet with fierce competition to get the market share, since the fish import market, whether it is the U.S.A. or European Union, it is dominated by china. Yet in the future, Thai nile tilapia export market must also meet with stiff competition from the rivals such in the Central and South Americas with increased investment to expand the export market to USA and EU market.

• Frozen Processed Food Market •

For the export of Thai Vannamai shrimps and black tiger prawns in Jan – Oct 2014, it totaled 129,432 tons at value of 51,722 million baht which was on the decline when compared with that of the same period of the preceding year (table 4). Exporting in Vannamai shrimp has been declined both in term of quantity and value in every principal market such as EU market, USA, Australia, Canada, Japan and Asia markets. For black tiger prawns, the principal markets are in Asia i.e. in China, Hong Kong, Japan, Asia, South Korea and Taiwan.

The situation of frozen shrimp export of Thailand still contracted comparing to the previous year since the volume of shrimp farming are not yet recovered and aqua-culturists still not confident due to the spread of EMS. Therefore, the volume of shrimp entering to the processing plants shall be at the level that not matches with demand which some exporters have solved the problem by imported shrimps from India to be their processing raw materials.

• Table 4 Quantity and Value of shrimp export year 2013 and 2014 •

Country	Jan – Oct 2013		Jan – Oct 2014		% Change	
	Quantity (MT)	Value (Million baht)	Quantity (MT)	Value (Million baht)	Quantity (MT)	Value (Million baht)
Asia	68,256	20,697	47,309	17,429	-30.69	-15.79
- China	1,806	548	1,867	555	3.38	1.28
- Japan	50,575	16,211	32,293	12,577	-36.15	-22.41
- Others	15,875	3,938	13,149	4,297	-17.17	9.12
USA	65,373	21,967	52,398	21,687	-19.85	-1.27
EU	23,844	7,980	15,479	6,956	-35.08	-12.83
Australia	5,607	1,729	4,949	1,969	-11.74	13.88
Others	12,633	3,901	9,279	3,681	-26.41	-5.64
Total	175,713	56,274	129,432	51,722	-26.34	-8.09

Source ; thai Frozen Food Association, cooperate with The Custom Department



• Trends of Frozen Processed Shrimp Market •

It is expected that in 2015, the production and export of frozen seafood and processing frozen foods will be increase comparing to the previous year since the shrimp productivity is expected to be increased which resulted from the problem solving of Department of Fisheries regarding EMS.

Besides culturing, there is also problem solving in terms of labors since the Thai Frozen Foods Association and Thai Fishery Producers Coalition has cooperated and have intention to seriously resolve labor problems. This has started after NCPO has pay an important role to support and enhance illegal labors to be legally in the system, resolving credible ranking of Thai labors (Trips report) of the US., and also from the cooperation between related government sectors such as Ministry of Labor, Ministry of Justice, Ministry of Foreign Affairs, etc., and private units, the reports and correction plans have been sent to US which is expected that US will remove Thailand from the list by the year of 2015.

In 2015, there are still risk factors of shrimp exporting from Thailand. The important factor is that EU has cancelled Generalized System of Preferences (GSP) starting from January 1st, 2015 which importers will have to pay more taxes from 4% to 12% which causes Thailand to totally lose competitiveness in this market. However, the cancellation of GSP by EU might affect the export at the beginning period which entrepreneurs will have to find other markets to substitute the EU market.

In the case that EU has emphasize on Illegal Unreported and Unregulated fishing (IUU) which the notice have been sent to Thailand in February 2015, and after 6 months EU will order not to import all fisheries products from Thailand, The association has clarified that Thailand's shrimps are from the farms, while EU considered that the shrimp feed are fish meal which is an industry that has illegal labors, the government is trying its best to resolve such problem. Currently, the countermeasures has already passed Fishery Act to The National Legislative Assembly (NLA) and is expected to pass the law within this month. This Fishery Act can be considered as modern law and accordance to the situation which can resolve IUU problem. It is expected that the IUU situation will be mitigated by the 2nd quarter of 2015.

• Risk of raw material prices •

Producing aquatic animal feed is necessary to use raw materials from the nature in order to process into food quality and meeting the right standards. The major raw materials are important to produce such products, fish meal, soybean meal, wheat flour, and corn, but, mostly the products are on commodity prices and are set by supply and demand in the worlds' markets.

So, whenever the price of raw materials increases, the costs of aquatic animal feed will result in increase along with the inevitable. However, the company tries to manage the risk of raw materials by updating the situations about the prices of the raw materials in order to analyze closely, and then, targeting the price, quantity and delivery time with raw material suppliers. Other than that, the companies has a policy of purchasing raw materials diversely and geographically dispersed and keep finding new sources in raw materials.

• Risk of exchange rates •

The company imports some of the raw materials, which includes: squid liver powder, wheat flour, fish soluble meal that is important that is used for the aquatic animal feed, which gives proteins and fats from the aquatic animal feed. The company will pay for the raw materials with the currency of Yen and U.S. dollar. This gives changes in exchange rates and affects the costs of production and its operations directly from the income of the company that comes from the dealer of the products domestically and group farmers. The company has income in Baht and some transactions are denominated in foreign currencies.

Moreover, the subsidiary, Thai Luxe Food Products Co., Ltd. mainly income is from abroad market, in the currency of Yen, U.S. dollar, Euro dollar, Australian dollar, therefore, the exchange rate fluctuation will also effected to sales revenue and business operation of the subsidiary.

However, the company has a policy of hedging foreign exchange agreement in purchasing and selling and entered into foreign bank in advance (Forward Contract) in order to hedge the risk in the period of 3-6 months, depending on the duration of the transit time. The company paid closely attention with the statistics of the exchange rates of each currency to analyze before making decision for each exchange agreement.

In 2013 and 2014, the company purchased the raw materials with the foreign currency at the amounted of 555.36 million Baht and 566.24 million Baht respectively, by calculating in order wise of 33.92% and 31.79% of the raw materials in the period.

• Risks of competing major vendors and the market leader of animal feed •

The market leader of the shrimp feed is divided in the market share at approximately 30-40 %* of the total sales of the shrimp feed, following by 5-6 medium-sized companies also divided in market between 5-20% each company, which are combined with a share of 50-60% of the total shrimp feed sales, the company was ranked in the medium-size company, where as other companies are small size companies. The market leader gained highly confidence from the farmers, who have been feeding shrimp as a product of the top leading company in the long run, which gave the company problems by competing in the market share.

The company has a marketing strategy, both short and long term, such as improve and develop products to meet the customers demand to create success for the farmers and dealers to sell their products to customers, while also increasing product variety to meet the needs of customers all the circumstances having regard to the cost of farmers is most important, offering promotions from time to time as a special case in order to compete in the market, joining trade fair, etc. Besides, the company has focused its services to attract dealer and the farmers, and manufacture higher quality feed compared with the same feed type of the others. This helps us to maintain market share, for fish feed and shrimp feed exclusively.

**Source: Thai Luxe Enterprises PCL.*



• Risk of the revenue from the sale of goods domestically •

The company's income from the sale of goods within the country, so that if any year is to feed a local decrease in the environment or weather conditions are unfavorable and it will impact significantly on the amount and distribution of revenue from the sale of the company.

The typical volume of distribution for its products will fluctuate seasonally. The sales volume of shrimp feed and fish feed are lower in the late rainy season to cold season, due to the shrimp and fish eat less feed. And if there are epidemic or flooding, it will impact the demand of feed, and impact on sales.

However, the company has invested in shares of Thailuxe Food Products Co. Ltd, who is manufacturer and distributor of frozen processed products, the downstream business, and also invested in farming business, the upstream business to be a turnkey operation to reduce the risk of selling only aquatic feed.

• Risk of being affected by the operations and financial position of the subsidiary •

Performance of the group is based on the performance of the company; also, it depends on the operating results of the subsidiaries. If you have a problem with its implementation, it will affect the performance of the company's consolidated financial statements.

The group has defined measures for the implementation of its policies, by controlling and monitoring the operations of its subsidiaries, as well as, representatives of the company into a subsidiary and associate director of the policy and to safe the interests of the company. Subsidiaries and associated companies are operating in the same direction. This is will lead to the cost management maximum performance and operational efficiency.

• Risk of balance of power •

Seneepakonkai Family is one of the major shareholder in the company, whereas Mr. Anurot Seneepakonkai, the co-founder, is the president and Mr. Rojpun Seneepakonkai is CEO. Therefore, Seneepakonkai family has a highest authority in terms of policy formulation and management of the company solely. This may not be able to balance the power and check operation.

However, the company has the duties of the CEO and the President quite clear; in addition, decisions and transactions unrelated to normal business operations of the company must be approved by the board, which composed of an independent director and 3 members of Audit Committee. The transactions will be considered by the benefit to the company.



• Risk of doing new business •

The company just started farming business. Although the new business is related to the aquatic feed business operates; it is a new company to operate. Therefore, there is the risk of doing business.

However, since the company is well familiar with aquafeed business, and the company was having experimental farm for research and product development division. The company has the knowledge and experience of farming. It is believed that is to be aquatic business is to succeed.

General Information

Company Name	: Thai Luxe Enterprises Public Company Limited
Type of Business	: Manufacturing and Distributing of aquafeed
Head Office	: 69/5 Moo 5 Rama II Road, Muang District, Samutsongkram 75000 Tel : (66) 3477-1401 Fax : (66) 3477-1406
Petchburi Factory	: 62 Moo 2 Utapao Road, Kaoyoi District, Petchburi 76140 Tel : (66) 3244-7681 Fax : (66) 3244-7689
Bangkok Office	: 101/3-4 Nares Road, Bangrak, Bangkok 10500 Tel : (66) 2266-4725 Fax : (66) 2236-7347
Registration Number	: 0107537000670
Home Page	: www.thailuxe.com
Registered Capital	: 568,451,520 Baht
Paid Up Capital	: 563,050,687 Baht



• The Subsidiary •

Company Name	:	Thai Luxe Food Products Company Limited
Type of Business	:	Manufacturing and Distributing of frozen processed shrimp products
Located :		69/5 Moo 5 Rama II Road, Muang District, Samutsongkram 75000
	Te l:	(66) 3473-1331-2
	Fax :	(66) 3473-1333-4
Bangkok Office	:	101/3-4 Nares Road, Bangrak, Bangkok 10500
	Tel :	(66) 2266-4725
	Fax :	(66) 2236-7347
Registration Number	:	0105542094316
Home Page	:	www.smpfood.com
Registered Capital	:	100,000,000 baht
Paid Up Capital	:	100,000,000 baht
% of Shareholder	:	97.79 %
Type of Shares	:	Common Shares

Company Name	:	Thai Demeter Company Limited
Type of Business	:	Distributing of aquafeed raw materials
Located	:	101/3-4 Nares Road, Bangrak, Bangkok 10500
	Tel :	(66) 2266-4725
	Fax :	(66) 2236-7347
Registration Number	:	0105552125648
Registered Capital	:	3,000,000 Baht
Paid Up Capital	:	3,000,000 Baht
% of Shareholder	:	100 %
Type of Shares	:	Common Shares

• Other Reference Person •

1. Registrar

Thailand Securities Depository Company Limited

4th, 6-7th Floor, The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey,
Bangkok 10110

Tel : 66-2229-2800 Fax : 66-2359-1259

2. Auditor

Ernst & Young Office Limited

33rd Floor, Lake Rachada Office Complex, 193/136-137 Rachadapisek Road, Klongtoey,
Bangkok 10110

Tel : 66-2264-0777 Fax : 66-2264-0789

- Mr. Khitsada Lerdwana Certified Public Accountant (Thailand) No. 4958
- Miss Siraporn Earanankul Certified Public Accountant (Thailand) No. 3844
- Miss Waraporn Prapasirikul Certified Public Accountant (Thailand) No. 4579

3. Legal Advisor

Tilleke & Gibbins International Ltd

Supalai Grand Tower, 26th Floor, 1011 Rama 3 Road, Chongnonsi, Yannawa 10120

Tel : 0-2653-5555

Shareholders Structure

As of 6 February 2015, the list of the first 10 major shareholders, including the related person under section 258 of the SEC Act

List of Shareholders	Number of Shares	¹ Proportion (Percent)
Seneepakonkai Family		
• Mrs. Pornvipa Seneepakonkai ²	28,986,480	6.485
• Mr. Anurot Seneepakonkai	17,042,847	3.813
• Mr. Rojsak Seneepakonkai ³	12,080,048	2.703
• Thai Asse Trading Co., Ltd. ⁴	10,000,000	2.237
• Miss Arpha Seneepakonkai ³	9,170,000	2.051
• Miss Arporn Seneepakonkai ³	8,900,090	1.991
• Mr. Rojpun Seneepakonkai ³	7,500,000	1.678
• Mrs. Orawan Seneepakonkai ⁵	456,225	0.102
• Mr. Anuphol Seneepakonkai ⁵	10,000	0.002
Total Seneepakonkai Family and related company	94,145,690	21.062
Miss Paritchaya Kanonrungsi	31,262,300	6.994
Miss Panyada Ploypraphat	17,828,700	3.989
Mr. Sompong Cholkadeedumrongkul	17,500,000	3.915
Miss Narumol Meangtub	16,000,000	3.579
Mrs. Vorapun Jungsuppaisal	15,000,000	3.356
Mr. Parin Chanuntranont	14,047,795	3.143
Mr. Pakorn Teeratumrong	14,030,000	3.139
Mrs. La-ong Thongsuk	10,111,500	2.262
Mr. Annop Limprasert	10,000,000	2.237

Source : TLUXE Shareholder register as of 6 February 2015

Remark : 1 Calculated from the paid up capital in the amounted of 446,994,587 shares

2) Wife of Mr. Anurot Seneepakonkai

3) Sons and Daughters, who reached of their legal age, of Mr. Anurot and Mrs. Pornvipa Seneepakonkai

4) Seneepakonkai Family is holding 100% of paid up capital

5) Sister and Brother of Mr. Anurot Seneepakonkai

• The list of the first 10 major shareholders of Thai Asse Tradiang Co., Ltd •

List of Shareholders	Number of Shares	¹ Proportion (Percent)
• Mr. Anurot Seneepakonkai	56,500	9.42
• Mrs. Pornvipa Seneepakonkai	198,000	33.00
• Miss. Arpha Seneepakonkai	110,125	18.35
• Miss. Arporn Seneepakonkai	125	0.03
• Mr. Rojphan Seneepakonkai	110,125	18.35
• Mr. Rojsak Seneepakonkai	110,125	18.35
• Mr. Anusorn Seneepakonkai	9,000	1.5
• Mrs. Orawan Seneepakonkai	3,000	0.5
• Mrs.Siemeng Saengow	3,000	0.5
Total	600,000	100.00

• Warrants •

- The Company had a total of 169,000,000 units of the warrants to purchase of the ordinary share No.2 (TLUXE-W2), selling price 0 baht. The date of the issue of the warrants is 21 February 2011. The validity of the warrant is 4 years. The first day of exercising the warrant is 31 March 2012 and the last of the exercise of the warrant is 20 February 2015, at the rate of 1 warrant unit per 1 ordinary shares. The common share which reserved for the the right has par value 1 Baht. Exercise Price 2.50 baht. The number of warrants having been exercised during 2014 are as follows:

Exercise Date	Units	Amount (Baht)	Balance of Warrant after exercise (Unit)
31 March 2014	-	-	-
30 September 2014	8,231,554	20,578,885	107,258,447

2. There is a total of 19,000,000 units of the warrants to buy ordinary shares of the Company under the ESOP project No.2 (TLUXE-ESOP2). The date of issuance of the warrant is 21 July 2011. The validity of the warrant is 4 years. The first day of exercising the warrant is 30 September 2013 and the last day of exercising the warrant is 20 July 2015, at the rate of 1 warrant unit per 1 ordinary shares. The common share which reserved for the the right has par value 1 Baht. Exercise Price 2.50 baht. The number of warrants having been exercised during 2014 are as follows :

Exercise Date	Units	Amount (Baht)	Balance of Warrant after exercise (Unit)
31 March 2014	-	-	-
30 September 2014	2,590,000	6,475,000	14,197,500

Dividend Policy

The company paid dividend is not less than 60% of net profit after tax, and also after the company's financial losses deduction and legal reserve (if any). However, the company may pay dividends at a rate less than the rate specified, depending on the need for working capital for operations, expansion and other factors involved in the management of the company. The resolution of Board of Directors approved the payment of dividends will be represented for approval at a meeting of shareholders, except interim dividend. The Board of Directors has approved payment of interim dividends will report to the shareholders which will receive in the next meeting.



Management Structure

• Company Directors •

Company Directors Structure composed of 3 groups of directors which are The Board of Directors, Audit Committee, Nomination and Compensation Committee

As of 31 December 2014, there are 11 members in Board of Directors

Name	Position	Number of BOD meeting attendance	Number of shareholder meeting attendance
1. Mr. Anurot Seneepakonkai	Chairman of the Board of Directors	4/4	1/1
2. Mr. Jaran Jettanalin	Director	4/4	1/1
3. Mr. Wu Yu Ting	Director	4/4	0/1
4. Mr. Chang Ying Fu	Director	0/4	0/1
5. Miss Arpha Seneepakonkai	Director/Nomination and Compensation Committee	4/4	0/1
6. Mr. Rojphan Seneepakonkai	Director	4/4	1/1
7. Dr. Thomas Roy Wilson	Director	4/4	1/1
8. Asst. Prof. Piphat Nonthanathorn, Ph.D	Independence Director/Chairman of the Audit Committee	4/4	1/1
9. Mr. Sajja Suksong	Independence Director/Audit Committee/Nomination and Compensation Committee	4/4	1/1
10. Assoc.Prof. Kamphol Panyagometh, Ph.D	Independence Director/Audit Committee	4/4	1/1
11. Mr. Nopporn Wayoochote	Independence Director/Chairman of Nomination and Compensation Committee	4/4	1/1

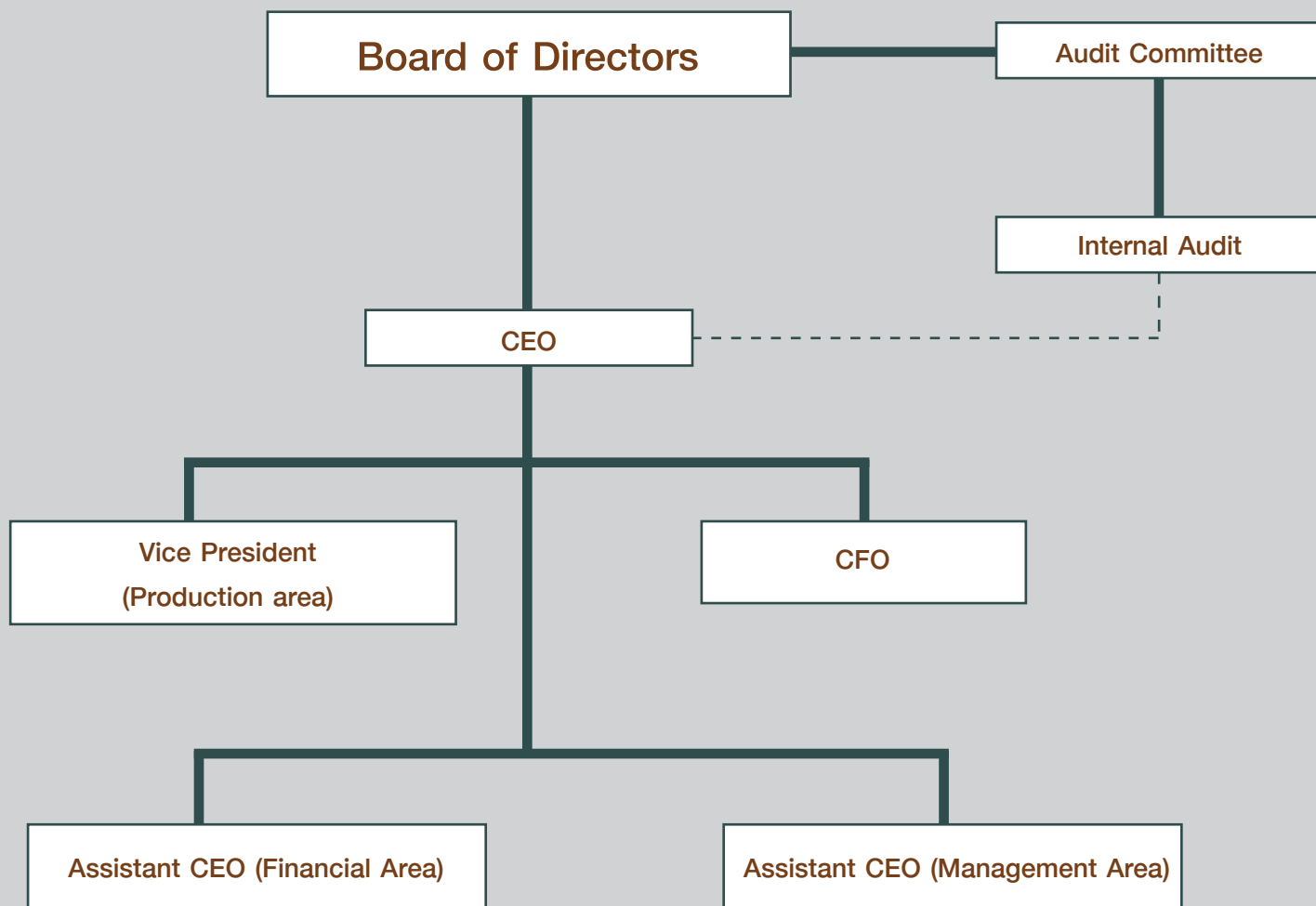
• Authorized Directors •

Company authorized directors are Mr. Anurot Seneepakonkai and Mr. Jaran Jettanalin, with company seal.

• **Authorities and Responsibilities of the Board of Directors** •

1. The Board of Directors function in accordance with the power and duties vested under the Public Corporations Act, B.E. 2535 coupled with the related laws governing public corporations.
2. To perform duties legally, as per business objectives and Articles of Association and work as per resolutions passed by Shareholders.
3. Fixing main policy for business and financial management including policy for getting funds, management of funds, and policy for managing risk factors.
4. Exercise power to change names or positions of directors with power to sign for the Company.
5. Supervising to improve performance and fixing policy with guidelines for solutions when facing obstacles to attain targets.
6. Create reports by containing data generally and financial data to Shareholders and to others related parties correctly with accuracy, transparency and completeness and as required by law.
7. Acknowledge reports and audits on major issues, while fixing policy for adjustments in case of finding any major defects.

• Management •



As of 31 December 2014, there are 5 members in Management Team

Name	Position
1. Mr. Rojpun Seneepakonkai	CEO
2. Dr. Thomas Roy Wilson	Vice President (Production area)
3. Arporn Seneepakonkai	Assistant CEO (Management area)
4. Miss Ladda Heapsuwan	Assistant CEO (Financial area)
5. Mr. Krit Boonsrangsom	CFO

• **Authorities and Responsibilities of CEO** •

1. Determine the target in the business plan including the allocation of budgets of the Company and its subsidiaries to the operation and management to meet the policy goals and action plans, to be presented to the Board of Directors for approval.
2. Supervise the implementation of the management of the Company and its subsidiaries, to be linked and support ted each other both in the production and distribution of aquatic feed, Aquaculture line, and frozen food processing line, as well as other business related.
3. Control the management of the Company and its subsidiaries to safeguard the interests of the company, In accordance with the policies set by the Board of Directors, and Report the performance directly to the Board of Directors.
4. Set organizational structure and management for the benefit of the company and its subsidiaries, which cover the recruitment, training, employment and dismissal of employees which are non-executive or senior management. To be representative of the company to sign an employment agreement and have power to issue regulations to provide full performance in accordance with the policy of the Board of Directors.
5. To approve the disbursement of funds in the implementation of the Company's normal business, and investments and assets inside the budget, not exceeding 20 million baht per transaction.
6. To approve the disbursement of funds in the implementation of the Company's normal business, and investments and assets outside the budget, not exceeding 5 million baht per transaction.
7. To consider and approve the lease or contract, and real estate services to the Company's normal business operations. The value of the contract must not to exceed 10 million baht and a term not exceeding three years.
8. To approve the loan or credit from financial institutions for the Company's normal business purpose, not exceeding 100 million baht.
9. To approve the loans, as well as to be a guarantor of its subsidiaries for the normal business purpose, not exceeding 20 million baht.
10. To consider and approve the trade policy, marketing policy, sales policy, credit policy and management of common property.
11. Assign one person or persons acting on its behalf, as it deems appropriate. The delegate and / or assignment shall be within the scope of the power of attorney to be authorized, to comply with regulations or orders of the Board of Directors and / or the Executive Committee.
12. To consider the profits or loss of the Company, to propose interim dividend or dividend for the year to the Board of Directors for approval.
13. Have an authority in company's operation, in accordance with the Board of Directors and /or Executive committee assigned.

Company Secretary

The board of directors appointed Miss Orathai Changpradij to be served as company secretary

• Authorities and Responsibilities of Company Secretary •

Company Secretary was appointed by The Board of Directors to oversee the meetings of the Board of Directors, Shareholders meetings and other board activities, and to assist the Board to comply with laws and regulations including support to meet the standards of good corporate governance.

- promote understanding and provide the Board of Directors About good governance
- Provide detailed legal issues, regulation and best practices in corporate governance, the duties and responsibilities to the directors who have been new appointed.
- Provide the Board of Directors and Annual General Meeting of shareholders according to the Articles of Association, the Committee Charter and best practices.
- Record minutes of Board of Directors and Annual General Meeting of shareholders including coordinate to the resolutions and policies of the Board and the shareholders of the relevant management and monitor compliance with such policies and resolutions.
- Prepare and maintain a register of directors, annual report, notice of the of Shareholders meeting, notice of the of Board of Directors meeting, minutes of the Board of Directors meeting, and minutes of shareholders meeting.
- Conduct the directors and management to report their stakeholders and their related parties stakeholders, including maintain reporting as legal requirements.
- Ensure the Secretary Is the administrative center of administration of the Board of Directors to provide information on issues related to the business.
- Oversee the activities of the Board and the other matters to comply by law and as assigned by the Board, or the Supervisory of SEC.

Name : Mr. Anurot Seneepakonkai

Position ⁽¹⁾ : Chairman of Board of Directors Age 68

Started the director position since 1987

Education/ Training Program	Number of shares (%)	Relation with the management
<ul style="list-style-type: none"> - Bachelor of Business Administration, Bangkok University - Master of Business Administration, Commerce and Accountancy Faculty, Chulalongkorn University - DCP: Director Certification Program 10/2001 Thai Institute of Directors 	170,042,847 shares 3.81%	Father of Mr. Rophan and Miss Arpha Seneepakonkai
Last 5 years experienced		
Period	Position	Company
2014 - present	Chairman of Board of Directors	Thai Luxe Enterprises PCL.
1987 - 2013	Chairman of Board of Directors/Managing Director	Thai Luxe Enterprises PCL.
	Position in Listed Company	- N/A
	Position in Non Listed Company	- N/A

Name : Mr. Rojpun Seneepakonkai

Position : Director/CEO Age 45

Started the director position since 2006

Education/ Training Program	Number of shares (%)	Relation with the management
<ul style="list-style-type: none"> - Bachelor of Business Administration, Bangkok University - Master of Business Administration, National University, USA National University, USA - DAP : Director Accreditation Program 59/2006 Thai Institute of Directors 	7,500,000 shares 1.68%	Son of Mr. Anurot and brother of Miss Arpha Seneepakonkai
Last 5 years experienced		
Period	Position	Company
2015 - present	CEO	Thai Luxe Enterprises PCL.
2006 - present	Director	Thai Luxe Enterprises PCL.
2014 - 2015	Managing Director	Thai Luxe Enterprises PCL.
2003 - 2013	Vice President	Thai Luxe Enterprises PCL.
	Position in Listed Company	- N/A
	Position in Non Listed Company	- Chairman of Board of Director SMP Food Products Co., Ltd

Name : Dr. Thomas Roy Wilson
Position : Director/Vice President Age 61

Started the director position since 2006

Education/ Training Program		Number of shares (%)	Relation with the management
<ul style="list-style-type: none"> - Bachelor of Marine Biology, University of Victoria , Canada - Master of Fisheries , University of Washington, USA. - FN : Finance for Non-Finance Director - DCP : Director Certification Program 165/2012 Thai Institute of Directors 		-	-
Last 5 years experienced			
Period	Position	Company	
2006 - 2014	Director	Thai Luxe Enterprises PCL.	
2005 - 2014	Vice President	Thai Luxe Enterprises PCL.	
	Position in Listed Company	- N/A	
	Position in Non Listed Company	- N/A	

Name : Mr. Jaran Jettanalin

Position ⁽¹⁾ : Director Age 72

Started the director position since 1987

Education/ Training Program		Number of shares (%)	Relation with the management
<ul style="list-style-type: none"> - Bachelor Degree, Veterinary National Pingtung University of Science and Technology , Taiwan - DAP : Director Accreditation Program 26/2004 Thai Institute of Directors 		-	-
Last 5 years experienced			
Period	Position	Company	
2007 - 2014	Director	Thai Luxe Enterprises PCL.	
2004 - 2014	Consultant	Thai Luxe Enterprises PCL.	
	Position in Listed Company	- N/A	
	Position in Non Listed Company	- N/A	

Name : Mr. Wu Yu Ting

Position : Director Age 76

Started the director position since 1987

Education/ Training Program	Number of shares (%)	Relation with the management
- Bachelor Degree, Veterinary National Pingtung University of Science and Technology , Taiwan	-	-
Last 5 years experienced		
Period	Position	Company
1987 - 2014	Director Position in Listed Company Position in Non Listed Company	Thai Luxe Enterprises PCL. - N/A - N/A

Name : Mr. Chang Ying Fu

Position : Director Age 81

Started the director position since 1987

Education/ Training Program	Number of shares (%)	Relation with the management
- Bachelor of English, Tamkang University, Taiwan	-	-
Last 5 years experienced		
Period	Position	Company
1987 - 2014	Director Position in Listed Company Position in Non Listed Company	Thai Luxe Enterprises PCL. - N/A - Chairman of Board of Director Kingtex Co., Ltd

Name : Miss Arpha Seneepakonkai

Position : Director/ Nomination and Compensation Committee Age 46

Started the director position since 2005

Started the nomination committee position since 2012

Education/ Training Program	Number of shares (%)	Relation with the management
<ul style="list-style-type: none">- Bachelor Degree, Silpakorn University- Master Degree Integrated Marketing Communication & Advertising, Emerson College, USA- DAP : Director Accreditation Program 34/2005 Thai Institute of Directors	9,170,000 shares 2.05%	Daughter of Mr. Anurot and sister of Mr. Rojphan Seneepakonkai
Last 5 years experienced		
Period	Position	Company
2012 - present	Managing Director	Calin Co., Ltd.
2012 - 2014	Director/ Nomination and Compensation Committee	Thai Luxe Enterprises PCL.
2005 - 2012	Director	Thai Luxe Enterprises PCL.
2010 - 2012	Vice President	Group M Co., Ltd
2008 - 2010	Training and Business Development Director	Group M Co., Ltd
	Position in Listed Company	- N/A
	Position in Non Listed Company	- Director SPK Uni Holding Co., Ltd - Chairman of Board of Directors Galang Co., Ltd

Name : Asst. Prof. Piphat Nonthanathorn, Ph.D

Position : Independent Director/ Chairman of Audit Committee Age 50

Started the director position since 2005

Started the audit committee position since 2006

Education/ Training Program	Number of shares (%)	Relation with the management
<ul style="list-style-type: none"> - Doctoral Degree of Administrative Development, National Institute of Development Administration - DAP : Director Accreditation Program 40/2005 - DCP : Director Certification Program 60/2005 - ACP : Audit Committee Program - RCC : The Role of Compensation Committee - MIR : Monitoring the System of Internal Control and Risk Management - MIA : Monitoring the Internal Audit Function - MFR : Monitoring the Quality of Financial Reporting Thai Institute of Directors 	-	-
Last 5 years experienced		
Period	Position	Company
2007 - present	Independent Director/ Chairman of Audit Committee	Thai Luxe Enterprises PCL.
2007 - present	Professor	Kasetsart University
2006 - 2007	Independent Director/ Audit Committee	Thai Luxe Enterprises PCL.
2545 - 2550	Professor	Khon Kaen University
	Position in Listed Company	- N/A
	Position in Non Listed Company	- N/A

Name : Mr. Sajja Suksong

Position : Independent Director/Audit Committee Age 47

Started the director position since 2006

Started the nomination committee position since 2006

Started the audit committee position since 2013

Education/ Training Program	Number of shares (%)	Relation with the management
- Bachelor of Economics, Chiang Mai University Chiang Mai University - Master of Finance, National Institute of Development Administration National Institute of Development Administration - DAP : Director Accreditation Program 55/2006 Thai Institute of Directors	-	-

Last 5 years experienced

Period	Position	Company
2014 - present	Finance and Budget Director	Mass Rapid Transit Authority of Thailand
2015 - present	Independent Director/Audit Committee/	Thai Luxe Enterprises PCL.
2013 - 2014	Independent Director/ Nomination and Compensation Committee/Audit Committee	Thai Luxe Enterprises PCL.
2009 - 2013	Independent Director/ Chairman of Nomination and Compensation Committee	Thai Luxe Enterprises PCL.
2009 - 2010	Consultant Position in Listed Company Position in Non Listed Company	Golden Feed Enterprises Co., Ltd - N/A - Director Hutch Co., Ltd

Name : Assoc.Prof.Kampol Panyagometh, Ph.D
Position : Independent Director/Audit Committee Age 43

Started the director position since 2013

Started the audit committee position since 2013

Education/ Training Program	Number of shares (%)	Relation with the management
<ul style="list-style-type: none"> - Bachelor of Science, King Mongkul's University of Technology thonburi - Master of Business Administration in Finance, National Institute of Development Administration National Institute of Development Administration - Doctoral Degree of Finance, Schulich School, York University , Canada 	-	-

Last 5 years experienced

Period	Position	Company
2013 - present	Independent Director/Audit Committee	Thai Luxe Enterprises PCL.
2013 - present	Vice President for Reserch and Technology	National Institute of Development Administration
2011 - present	Board of Fund	National Institute of Development Administration
2011 - present	Consulting in management and portfolio development	Finansa Asset management Ltd.
2010 - present	Associate Professor of Business Administration	National Institute of Development Administration
2009 - present	Nomination committee of the Social Security abroad fund managers	Regional Director in Thailand, Global Association of Risk Professionals, CFA Society of Thailand Board of Directors
2005 - 2013	Director of MSc in Financial Investment and Risk Management	National Institute of Development Administration
	Position in Listed Company	- Independent Director and Audit Committee Stars Micro Electronics PCL.
	Position in Non Listed Company	- Director Asian Finance Association

Name : Mr. Nopporn Wayoochote

Position : Independent Director/ Chairman of nomination committee Age 64

Started the director position since 2013

Started the audit committee position since 2013

Education/ Training Program	Number of shares (%)	Relation with the management
- Bachelor of Veterinary, Kasersart University - Master of Business Administration, Chulalongkorn University	-	-
Last 5 years experienced		
Period	Position	Company
2013 - 2014	Independent Director/Chairman of Nomination and Com- pensation Committee/ Vice President - Business Development	Thai Luxe Enterprises PCL.
1979 - 2012	Position in Listed Company Position in Non Listed Company	Betagro Holding Co., Ltd - N/A - N/A

Name : Miss Ladda Heapsuwan

Position : Assistant CEO Age 61

Education/ Training Program	Number of shares (%)	Relation with the management
- Bachelor Degree, Commerce and Accountancy Faculty, Dhurakij Bandid	-	-
Last 5 years experienced		
Period	Position	Company
2003 - 2014	Assistant CEO Position in Listed Company Position in Non Listed Company	Thai Luxe Enterprises PCL. - N/A - Director SMP Food Products Co., Ltd

Name : Miss Arporn Seneepakonkai
Position : Chief Administrative Officer Age 44

Education/ Training Program	Number of shares (%)	Relation with the management
<ul style="list-style-type: none"> - Bachelor of Business Administration, Assumption University - Master in Business Administration, Gloden gate University, USA. 	8,900,090 shares 1.99%	Daughter of Mr. Anurot and sister of Miss Arpha and Mr. Rojpun Seneepakonkai
Last 5 years experienced		
Period	Position	Company
2015 - present	Chief Administrative Officer	Thai Luxe Enterprises PCL.
2013 - 2014	Assistance CEO	Thai Luxe Enterprises PCL.
2000 - 2012	Bangkok Office Manager	Thai Luxe Enterprises PCL.
	Position in Listed Company	- N/A
	Position in Non Listed Company	- Director Thai Asse Company Limited

Name : Krit Boonsrangsom
Position : CFO Age 53

Education/ Training Program	Number of shares (%)	Relation with the management
<ul style="list-style-type: none"> - Bachelor Degree in accounting, Chulalongkorn University - Master of Business Administration, The University of Thai Chamber of Commerce University 	-	-
Last 5 years experienced		
Period	Position	Company
2014 - present	CFO	Thai Luxe Enterprises PCL.
2013	CFO	Thome Ship Management Thailand Co., Ltd.
2012 - 2013	Financial Controller	Emerson Electirc (Thailand) Ltd.
1995 - 2012	Financial Controller	Cargill Siam Ltd., Animal Feed and Nutrition
	Position in Listed Company	- N/A
	Position in Non Listed Company	- N/A

Name : Miss Orathai Changpradij

Position : GM in Administration/ Company Secretary Age 42

Education/ Training Program		Number of shares (%)	Relation with the management
- Bachelor of Business Administraion, Sukhothai Thammathirat University - Mini MBA Kasertsart University		-	-
Last 5 years experienced			
Period	Position		Company
2015 - present	GM in Administration		Thai Luxe Enterprises PCL.
2008 - present	Company Secretary		Thai Luxe Enterprises PCL.
1993 - present	CEO Secretary / Board of Directors Secretary		Thai Luxe Enterprises PCL.
2012 - 2014	CEO Office Manager		Thai Luxe Enterprises PCL.
	Position in Listed Company		- N/A
	Position in Non Listed Company		- N/A

Name : Miss Somsri Assanee

Position : Assistant Manager of Internal Audit Age 55

Education/ Training Program	Number of shares (%)	Relation with the management
<ul style="list-style-type: none">- Bachelor of Business Administration, Valaya Alongkorn Rajabhat University- Curriculum Audit to prepare a Certified Internal Auditor Class 14. “ The faculty of Commerce and Accountancy, Chulalongkorn University- The Board Audit Course 2 Class 24. Association of Accounting Profession- The practice of internal audit for IT systems Association of Accounting Profession- Internal Audit, Compliance and Risk Management, the liberalization AEC, Association of Internal Auditors- Audit Change from Internal Audit to Consultant Association of Internal Auditors	-	-
Last 5 years experienced		
Period	Position	Company
2004 - 2014	Assistant Manager of Internal Audit Position in Listed Company Position in Non Listed Company	Thai Luxe Enterprises PCL. - N/A - N/A

Remarks

1. As the company certificate, the authorized directors are Mr. Anurot Seneepakonkai or Mr. Jaran Jettanalin, signed with company seal.
2. As at 6 February 2015, the total paid up capital is 446,994,587 Baht, divided into 446,994,587 shares at par value 1 Baht

Director and Mangement Remuneration

1 Monetary Compensation

• Director Compansation •

The company's remuneration policy is clear and unambiguous. The Nomination and Remuneration Committee is responsible for considering and remuneration to the Board of Directors presented to shareholders for approval. Remuneration is at appropriate level, compared with the directors of listed companies in the agriculture and food industry, which is equivalent size to the business. The compensation of Audit committee including with Nomination and Remuneration will be higher, based on growing workload.

Director Remuneration composed of Yearly Remuneration and Meeting Allowance. The remuneration in year 2013 and 2014 are 2,507,000 baht and 2,347,000 baht respectively, as following detail

Unit : baht

Name	Position	2013			2014		
		Yearly Remuneration	Meeting Allowance	Meeting Allowance of sub committee	Yearly Remuneration	Meeting Allowance	Meeting Allowance of sub committee
Mr. Anurot Seneepakonkai	Chairman of the Board of Directors	240,000	70,000	-	195,000	115,000	-
Mr. Jaran Jettanalin	Director / Member of the Compensation Committee	150,000	58,000	20,000	123,000	75,000	-
Mr. Wu Yu Ting	Director	150,000	48,000	-	123,000	75,000	-
Mr. Chang Ying Fu	Director	150,000	-	-	123,000	-	-
Miss Arpha Seneepakonkai	Director / Nomination and Compensation Committee	150,000	63,000	25,000	123,000	75,000	5,000
Mr. Rojphan Seneepakonkai	Director	150,000	20,000	-	123,000	67,000	-
Dr. Thomas Roy Wilson	Director	150,000	40,000	-	123,000	67,000	-
Asst.Prof.Piphat Nonthanathorn , Ph.D	Independence Director/Chairman of the Audit Committee	180,000	80,000	20,000	150,000	90,000	20,000
Mr. Sakrin Chusaktakul	Independence Director/ Audit Committee	87,500	17,000	5,000	-	-	-
Mr. Somporn Wankijcharoen	Independence Director/ Audit Committee	87,500	17,000	5,000	-	-	-
Mr. Sajja Suksong	Independence Director/ Audit Committee/Nomination and Compensation Committee	165,000	79,000	40,000	123,000	75,000	25,000
Assoc.Prof. Kamphol* Panyagometh, Ph.D	Independence Director/ Audit Committee	62,000	44,000	15,000	123,000	75,000	25,000
Mr. Nopporn* Wayoochote	Independence Director/ Chairman of Nomination and Compensation Committee	71,000	42,000	5,000	147,000	77,000	5,000
		1,794,000	578,000	135,000	1,476,000	791,000	80,000
Total Amount		2,507,000 baht			2,347,000 baht		

Remark : Assoc.Prof. Kamphol Panyagometh, Ph.D and Mr. Nopporn Wayoochote were appointed as directors to replace Mr. Sakrin Chusaktakul and Mr. Somporn Wankijcharoen on 25 April 2013

• **Management Compensation** •

Unit : Baht

	2013	2014
	Remuneration	Remuneration
Number	5	5
Salary	12,036,000	10,335,000
Bonus	1,039,500	750,700
Others	1,080,130	980,000
Total	14,155,630	12,065,700

Remark : The number of management as defined by SEC

2) Other Remuneration

• **Other Remuneration of the Board of Directors** •

At the extraordinary meeting of shareholders 1/2554 at 22 April 2011, approved an issuance and allocation of warrants to buy ordinary shares of the Company to its directors, management and/or employees according to ESOP No. 2 ("TLUXE-ESOP2") in the amount of 19,000,000 units with no consideration at the rate of 1 warrant unit per 1 ordinary shares. The common share which reserved for the the right has par value 1 Baht. The ESOP warrant has been given to 12 directors at the proportion of 34.21% of total ESOP warrant.

• **Other Remuneration of Management** •

1. Provident Fund

The company has established a provident fund contributed by the Company in the rate of 3 percent of salary. In 2014, the company has contributed funds for the amount of 282,900 baht to 5 management persons.

2. Warrants to buy ordinary shares of the Company to its directors, management and/or employees according to ESOP No. 2 ("TLUXE-ESOP2") in the amount of 19,000,000 units. The date of issuance of the warrant is 21 July 2011. The validity of the warrant is 4 years. The first day of exercising the warrant is 30 September 2013 and the last day of exercising the warrant is 20 July 2015, at the rate of 1 warrant unit per 1 ordinary shares. The common share which reserved for the the right has par value 1 Baht. Exercise Price 2.50 baht. The company has contributed ESOP warrant to 5 management persons at the proportion of 8.29% of total ESOP warrant.

• **Employees** •

As of 31 December 2014 the group of companies had a total of 693 employees. The compensation was paid in cash to non-executive employees of the company and subsidiaries totaling 142.62 million baht.

	The company	The subsidiaries
1. Salary Bonus Overtime Benefit and Uniform	93,852,254.00	40,999,769.21
2. Social Security Fund	476,000.00	1,459,020.00
3. Provident Fund	5,838,880.00	-
Total	100,167,134.00	42,458,789.21

The Board of Directors prescribed a policy on good governance because it was recognized as being significant and necessary for sustainable growth of business. The Board of Directors emphasized on and intended to follow such principle by prescribing policy for and direction of the Company's business operation with emphasis on the internal control and audit system, supervising the Management to follow the policy efficiently for long term benefits of shareholders under the legal and framework and business ethics, and adopted the good governance principles for companies listed in 2006. The principles are divided into 5 chapters as follows.

1. Rights of Shareholders

The Company held 1 shareholder's meeting in 2014, which was ordinary general meeting of shareholders, participated by directors of the Company and directors of the Audit Committee and a representative of the auditor. The Company sent invitation to the meeting together with supporting information for the meeting agendas to shareholders at least 14 days in advance. The invitation letter has adequate details, with comments of the Board of Directors in all agendas. The meeting was fully recorded for review by shareholders. The Company posted the invitation letter and the meeting report in its website at www.thailuxe.com.

In the shareholder's meeting, the Company allocated the meeting time properly and treated all shareholders equally in expressing their opinions and raising any question to the meeting in accordance with the meeting agendas and the matters taken up for discussion. All such matters including significant inquiries and comments were recorded in the report of the meeting.

2. Equitable Treatment of Shareholders

The Company allowed any shareholder who was unable to personally attend the meeting to authorize a third party, or select any independent director, to attend on his/her behalf using the letter of authorization sent by the Company with the invitation letter for ease of shareholders' participation in the meeting. The Company adopted the barcode system in participation registration, thus reducing the registration time, and provided snacks and drinks to shareholders in the registration area before the meeting started.

The company allowed any shareholder to propose an AGM agenda and to nominate in advance the person who qualified as a director, via communication channel on the company website from the period of 10 February 2014 until 21 February 2014. Nevertheless, there was none of the proposed agenda and the nomination of qualified directors for the company.

In the meeting, the Chairman of the meeting allowed shareholders to express their opinions and inquire on matters related to that taken up for consideration in that agenda item, and allowed shareholders to elect directors individually under the agenda item on election of directors to replace those vacating office at the end of their term.

The Company recognizes the significance of the internal audit system, both at the managerial level and the operative level, by establishing an internal audit section carrying the audit to ensure that the main operation and significant financial transactions of the Company were performed efficiently in accordance with guidelines established, including the audit on compliance control. To ensure that the internal audit section is independent and capable of fully auditing and balancing, the Board of Directors, therefore, requires the internal audit section to report on the auditing results directly to the Audit Committee, and to be evaluated on its performance by the Audit Committee as well.

3. Roles of Stakeholders

• Employees •

The Company treated all employees equally and fairly, in terms of the opportunity, remuneration, appointment, organizing training for personnel development; to establish the Staff Provident Fund, to provide scholarship to children of the personnel with good study record including the scholarship to be given to the personnel of the Company including the development of their potential.

The Company shall not act discriminately, the care for the working environment to ensure safety of life and property, listening to the opinion and recommendations of the personnel via the Opinion Reception Center through the Company's website or to act as a whistle-blower in the event of fraud happening in the organization. The said opinion will be forwarded directly to the Audit Committee.

Strict compliance with the law and various regulations relating to the personnel; avoidance of any act which may be unfair that may be impacting job security of the personnel or impacting on or creating psychological pressure on the personnel.

• Suppliers •

The Company has the policy on treating the trading partners equally and fairly by taking into account the maximum interest of the Company. There are purchases of goods and services from the trading partners according to the trading terms including compliance with the contract entered into with trading partner in accordance with the terms of agreement strictly and on the basis of reciprocal return for both sides; shunning the situation that gives rise to conflict of interest including compliance with the obligation; provision of true information and make correct report; entering into negotiations to solve the problem and find a solution on the basis of business relation.

• Customers •

The Company is aware of the importance of the customer satisfaction it has on the business success of the Company, the Company is therefore seeking method to respond to the need of the customer increasingly efficiently and effectively all the times, such as the delivery of goods and provision of service of quality corresponding to the requirement or higher than the expectation of the customer at fair price; provision of correct and adequate and timely data, information to the customer; making contact with the customer politely, efficiently and winning the trust of the customer; keeping confidential secrets of the customer and do not use the information for own self-interest or for the interest of persons involved unlawfully.

- **Creditors** •

The Company strictly complied with conditions and agreements related to goods trading and loan without circumventing to delay payment or to be in default of payment.

- **Rivals** •

The Company has a policy to treat trading competitors in consistent with the universal principle within the framework of the law governing the principle of trading practice; not to breach the secrecy nor privy to trade secrets of the competitors by means of fraud. The Company behaves within the framework of good competition rules, to maintain the benchmark of competition practice, to shun the dishonest method as to gain unfair competitive advantage or destruction of competitors.

The Company has set up a website as an avenue for whistle blowing; reporting illegal or unethical practices; reporting finance matters; or failure in systems. The page has tabs that divide into “Investor/Contact Board”. It is also possible to report directly to the Internal Auditors at IA@thailuxe.com

The committee will protect the reporters by keeping their data strict confidentially.

The committee follows a process after an issue is reported to them, they will firstly summarize the report and present it to the Audit committee for further investigation. If the matter affects the Company, it will be presented to the Board of Directors for further action.

The Company was responsible for the environment of communities and the society by implementing environmental management within the organization and the society with measure on maintenance of utensils and equipments used in the Company’s operation to protect the environment from pollutants. The Company also established an internal unit and delegated a person with direct responsibility to carry out CSR activities, for example, granting scholarships to customers’ children, supporting school fishery.

4. Disclosure and Transparency

The Board of Director recognized the importance of disclosure of accurate, complete, transparent and thorough information, both financial and general, as well as those with impacts upon the Company’s securities prices, by disseminating such information for awareness of investors and parties concerned through various channels and communications of the Stock Exchange accurately and completely within the prescribed time and in accordance with criteria prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Company disclosed the annual report, both in the Thai and the English versions, through the Company’s website. The Board of Directors also required the report on responsibilities of the Board of Directors upon the financial statement to be included together with the auditor’s report in the annual report.

The Company assigned a high-level executive a duty of investment-relation management. Investors may obtain information on the Company at tel. 02266-4725 or e mail address: bkk@thailuxe.com.

5. Responsibilities of the Board

The Board of Directors determines business direction, business plan, investment plan and investment source procurement and supervises and monitors work performance to ensure compliance with the business plan and to eliminate conflict of interests. Directors with interests in each matter will not be entitled to vote or make any decision in that matter.

The Board of Directors prepared a manual on business ethics for acknowledgement by all directors and employees for them to understand the measure for treatment to the Company, all groups of stakeholders and the public and the society.

The company has implemented an all new orientation to the directors before the inauguration committee, with the introduction of the overall operations of the company, subsidiaries' structure in order to understand the way it works, including with the critical information needed to perform the duties of directors.

The Board of Directors is composed of 11 directors, of which 4 are independent directors, 3 executive directors and 4 non-executive directors which were nominated by various groups of investors consists of Seneepakonkai group, Jetanalin group, Wu Yu Ting group, and Chang Ying Fu group, so there is an adequate balance of power.

The Company required the Board of Directors' meeting to be held at least once a quarter with extraordinary sessions as necessary, each session with clear agendas established in advance, and regular follow-ups on the operation results. Letter of invitation to such a meeting together with the agendas thereof will be sent at least 7 days in advance of each meeting to allow the Board of Directors adequate time to study the information before attending the meeting. In 2014, the Board of Directors held 4 ordinary meetings.

The Board of Directors appointed an Audit Committee comprising 3 independent directors to help supervising the Company's business, oversee the quality of the financial reports and the internal control system, and a Compensation Committee to help recruiting candidates with suitable qualifications to be directors of the Company and determining appropriate remuneration for the Directors. The Company established a clear and transparent policy on remunerations, but setting it at the same level as the industry and appropriate to the duties and responsibilities assigned, and at a sufficiently high level to attract and retain directors with desired qualifications. Directors' remunerations will be presented to shareholder's meeting for consideration and final approval. Power and duties of the Audit Committee and the Compensation Committee are as per details in the management structure. In 2014, the Audit Committee held 4 meetings and the Nomination and Compensation Committee held 1 meetings, including 1 meeting of the Outside Directors without management in attendance.

Name	Number of Audit Committee meeting attendance	Number of Nomination and Remuneration Committee meeting attendance
Asst. Prof. Piphat Nonthanathorn,Ph.D	4/4	-
Mr. Sajja Suksong	4/4	1/1
Assoc.Prof. Kamphol Panyagometh,Ph.D	4/4	-
Mr. Nopporn Wayoochote	-	1/1
Miss Arpha Seneepakonkai	-	1/1

Remunerations of executives are in accordance with principles and policy prescribed by the Board of Directors, which link with the Company's operation results and each executive's performance. There is a suitable remuneration determination process relying on information on remunerations of companies with similar size in the same industry in conjunction with the Company's operation results.

Company's Board of Directors assume liability for the financial transactions of the company as well as for the essence contained in Annual Reports. Financial Reports are prepared under the generally accepted principles practiced in Thailand and the Company selects a suitable accounting system and carefully making estimates and divulgence of data incorporated in the remarks accompanying financial statements.

The Board of Directors arranged to maintain an efficient internal control system to ensure reasonably that accounting transactions were accurate, complete and adequate to maintain properties and to be aware of weak points to prevent dishonesty or abnormal transactions in material aspects.

The Board of Directors was of the opinion that the Company's overall internal control system was satisfactory and the Company's financial statement could create confidence and relationships with investors.

• Sub Committee •

1) Audit Committee

As of 31 December 2014, there are 3 members in Audit Committee

Name	Position
Asst. Prof. Piphat Nonthanathorn, Ph.D	Chairman of the Audit Committee
Mr. Sajja Suksong (1)	Member of the Audit Committee
Assoc.Prof. Kamphol Panyagometh,Ph.D	Member of the Audit Committee

* The director who has knowledge and experience in financial audit

Authorities and Responsibilities of Audit Committee

1. Review to ensure that the Company makes financial report accurately and adequately.
2. Review to ensure that the Company has appropriate and effective internal control system and internal audit system and determine independence of the internal audit agency, and approve appointment, transfer and termination of chief of the internal audit or any other agency with internal audit responsibility.
3. Review to ensure that the Company complies with law governing securities and stock exchange, regulations of the stock exchange and laws applicable to the Company's business.
4. Consider, screen and nominate independent individuals for appointment as auditors of the Company and propose remuneration for such people, and participate in meetings with auditors at least once a year without participation by the Management.
5. Consider related transactions or those with possible conflict of interest to ensure their compliance with laws and regulations of the Stock Exchange of Thailand to ascertain that such transactions are reasonable and most beneficial to the Company.
6. Prepare report of the Audit Committee and include it openly in the annual report of the Company. Such report must be signed by the Audit Committee Chairman and contain the following information.
 - 1) Comments on accuracy, completeness and reliability of financial report of the Company.
 - 2) Comments on adequacy of the internal control system of the Company.
 - 3) Comments on compliance with law governing securities and stock exchange, regulations of the stock exchange or laws applicable to the Company's business.
 - 4) Comments on suitability of the auditors.
 - 5) Comments on transactions with possible conflict of interest.
 - 6) Number of meetings of the Audit Committee and participation of each member of the Audit Committee.
 - 7) Comments or observations in whole obtained by the Audit Committee from performance of duties in accordance with the charter.
 - 8) Other transactions deemed desirable for shareholders and general investors to know under the scope of duties and responsibilities assigned by the Board of Directors of the Company.
7. Perform any other duty assigned by the Board of Directors of the Company with approval of the Audit Committee.

2) Nomination and Compensation Committee

As of 31 December 2014, there are 3 members in Compensation Committee

Name	Position
Mr. Nopporn Wayoochote	Chairman of the Nomination and Compensation Committee
Mr. Sajja Suksong	Member of Nomination and Compensation Committee
Miss Arpha Seneepakonkai	Member of Nomination and Compensation Committee

Authorities and Responsibilities of Nomination and Compensation Committee

1. To formulate the policy, criteria and method of nomination including the selection and nominating the name of the director of the Company and the sub-set committee for approval by the Company's Board of Directors to replace the vacant position of the Company's directorship/ the vacant sub-set committee regardless of reasons such position becomes vacant.
2. To inspect carefully if the person to be nominated possesses the qualifications according to the law and the requirements of the relevant organizations.
3. To sound or approach the persons possesses the qualification consistent with the established pre-qualification criteria to be assured that the said persons are willing to accept the directorship of the company if being appointed by the shareholders.
4. The Nomination and Remuneration Committee may be assigned to seek recruitment of high-level executive, in particular, the position of the managing director or Chief Executive Officer.
5. Considering the format and criteria for payment of suitable remuneration on the part of the allowance for the director and the managing director to ensure the suitable format and the criteria of payment.
6. Considering the criteria in the assessment of the managing director and to be proposed for consideration and for approval by the Board of Directors.
7. Considering the annual remuneration of the directors and the managing director taking into account the results of the performance evaluation of the managing director as complementary consideration. The matter must be included in the agenda of the meeting and seek approval from the Annual General Ordinary Meeting of the Shareholders.
8. Considering the terms and details in the offer for sale of new securities or the share warrants to the directors and members of the staff (if there is any).

• Nomination of Directors and Top management •

Criteria for Nomination of Directors

In recruiting persons to be appointed as a director, the Nominating Committee which consist of 3 persons will propose qualified nominees by the basis of knowledge, experience, vision and credibility, including a qualified that not be prohibited by the law , to get the professional and diversified directors. The amount of proposed nominees will be equal to or greater than the amount of vacating directors. The proposal will be offered to the Board of Directors which will be continued to propose to the shareholders to appoint directors, which can be summarized as follows

The Board of Directors shall consist of at least 11 persons but no more than 15 persons, provided that at least one-half of the directors shall be resident in the kingdom and the directors shall have qualification as required by law.

The Board of Directors shall be appointed by the meeting of shareholders under the following criteria and procedures:

1. Each shareholder shall have one vote for each share

2. Each shareholders shall exercise all votes applicable, one vote for each share, in appointing one or more person to be a director, provided that any of the votes shall not be divisible
3. A person who has the most respective vote shall be elected to be the directors equivalent to the required number of directors but in case where the following persons so elected have equivalent vote, the chairman shall have a casting vote.

At every annual general meeting, one-third of the directors or if their number is not a multiple of three, then the number nearest to one-third shall retire from office. The directors in the first and second year after company registration will be offered a draw to resign. In each subsequent year, those directors who have been longest in the office shall retire. The directors who have been resigned are able to be renominated.

Each director who would like to resign must submit the resignation letter to the company. The resignation will be effected at the date the company received the letter. The resigned director may report his willingness to the registrar, if needed.

In cases where there is any vacancy among the directors other than a retirement by rotation, the Board of Directors shall elect a person who is qualified under the law to be a new director at the next meeting of the Board of Directors unless the period to which new director is entitled shall be less than two months. The person who is elected as the new director shall retain the office during such period only as the vacating director was entitled to retain the same. The resolution of the Board of Directors as specified in the first paragraph above shall consist of votes of not less than three-fourths of the remaining directors.

The meeting of shareholders may resolve to remove any director from the office before the expiration of his period of office with the votes of not less than three-fourths of the number of shareholders attending the meeting with the voting right and holding in aggregate not less than one-half of the shares held by those shareholders attending the meeting with the voting right

The directors must nominate the chairman of board of directors. The chairman will be both the chairman of board of directors and chairman of shareholders meeting. The chairman can take the position as long as he is being the director of the company. If needed, one or more vice chairman can be nominated.

Definition of Independent Directors

1. Shareholdings not more than 1% of the available number of shares with the Company in the Major Company, Subsidiary, Joint Venture Company. Major shareholders or the persons with power to control the Company are all part of the Company including the directors.

2. There is no director holding interests in the management, or employee, staff of consultant earning salary regularly or the person with power of control of the Company, Major Company, Subsidiary, Joint Venture Company or Juristic Person who may have contradictory interests currently and 2 years previously serving in the management of the Company.
3. It is not a person having blood relations or by legal registration by way of being parent , spouse, sibling, offspring including spouse of offspring and executives serving as major shareholder , exercising power of control of the Company or person to be proposed to serve as executive or person to exercise power of control of the Company or its Subsidiary.
4. Having no business relations with the Company, major Company, Subsidiary, Joint Venture Company, major shareholder or person with power of control of the Company who may act to thwart the independent status of the Company and it has never been shareholder likely to exercise power of control of person having business relations with the Company, Major Company, Subsidiary , Joint Venture Company , major shareholder or person with power of control of the Company currently or 2 years previously.
5. Never served as auditor of the Company, Major Company, Subsidiary, major shareholder, person with power of control of the Company and not being shareholder with power of control, or partner, manager of the auditor's office which has an auditor of the Company, major company, Subsidiary, joint venture company, major shareholder or person with power of control of the Company, Subsidiary currently or 2 years previously.
6. Never been provider of occupational services, legal services or financial services in receipt of service fee exceeding two million baht annually from this Company, Major Company, Subsidiary, Joint Venture Company, major shareholder or person having power to control the Company and not being shareholder with power of control or being manager, provider of occupational services currently or 2 years previously .
7. Not being director elected to serve as representative of the director of the Company, major shareholder or shareholder with relations with a major shareholder .
8. Not engaged in business that operates on the same lines as this Company and competed with this Company, or being partner in limited partnership or director of another Company that is engaged in business the same as this Company and competing with this Company.
9. No having any other characteristics that would prevent independent opinion in the interests of this Company.

Principle for Choosing Audit Committee

Audit committee will be nominated by the directors or the shareholders. The audit committee must be composed of at least 3 audit committees, by selecting from Independent directors. The term of audit committee is 3 years, but can be reappointed by the directos or the sharedholders. At least one of audit committee must have knowledge and experience in financial and accountant, and is able to audit the financial statement.

Term of Directors

1. The term of each director is 3 years, which will be resigned at every annual general meeting. The directors who have been resigned are able to be renominated.
2. The term of the members of sub committee will be the same as the term of each director, and can be renominated from the Board of Director.
3. The term of Independence of Director should not more than 3 consecutive terms.

Criteria for selecting the top management

To select top executives, the company attaches importance to the organization in the first place, the selection criteria are as follows:

1. Not in possession of prohibited characteristics pursuant to section 68 of the public company ACT 1992.
2. Possession of adequate knowledge, ability and experience in animal feed industry and secondary industry including the ability to make assessment of various work performances in the course of operation the business.
3. Possession of the resourcefulness and experience in the management of mega-size organization .
4. Holding job positions or used to hold job positions not below the Assistant Managing Director, the Vice President and the organization's turnover is not less than 2,000 million baht per year with the balance sheet or the organizational structure or the annual report while holding the position to be made available for presentation. In the case of being or having used to be the executive from the government sector organization at the departmental or equivalent level, the position held must not be lower than the Deputy Top Executive.
5. Having the resourcefulness, high caliber in making decision, in giving order, solving problems and lead the organization towards the direction and target according to the policy assigned by the board of directors of the company.
6. Having a vision of an animal feed business and related business; judicious and clever planning of the business operation, control of the situation and solving the problems with relevancy and in timely manner.
7. Possessing leadership, good human relations among executives, among the persons under command or even with the outsiders; ability for good liaison and work coordination both domestically and abroad.

Overseeing the operations of its subsidiaries.

The CEO controls the management of the subsidiary companies as to maintain the interest of the company in accordance with the policy laid down by the Company's board of directors and has the duty to report the operating result directly to the company's board of directors through representative of the company to hold the directorship in the subsidiary company as to formulate the policy and protect the interest of the company to ensure the company and its subsidiary operate in the same direction which would result in the management of the cost to maximum efficiency as well as the operation to maximum efficiency including the use of the policy on good corporate governance of both the company and its subsidiary.

Internal Information Control

The Company has set up the policy on the use of inside information, which is recognized only limited to executives only and disclosure to employees as necessary as they need to know in practice.

The company has policies and procedures to take care of directors and management not to use internal company information, which was not been disclosed to the public, for personal gain, including trading securities as follows:

- To educate the directors as well as the executive position to report the holding number of the company securities, including the holding of their spouse and minor children to SEC, and SET under Section 59 and penalty provisions under section 275 of the Securities and Exchange Act of 2535 within 3 days after the day of the inauguration.
- To educate the directors as well as the executive position to report a change of the holding number of the company securities to SEC and SET under Section 59 of the Securities and Exchange Act of 2535 within 3 days from the date of the change in the holding, and send copies of this report to the Secretary of the Company in same day sent a report to the Securities and Exchange Commission to propose to the Board of Directors acknowledged the next meeting.
- To determine the directors, the executive, the staffs, including with Investor Relations team who received inside information to avoid disclosing such information to outsiders or unrelated parties, and should refrain from trading shares of the company while published or distributed the Company's financial statements, as well as other important information at least 30 days before the disclosure, and 3 days after the disclosure.

The company has set a disciplinary penalty matter for the exploitation of inside information by using or to disclosing the information by considering penalty as appropriate verbal warning, written warning, probation and dismissal until the termination of an employee dismissed.

Auditor Remuneration

Auditor of the group of the companies in 2014 was EY Office Limited. The auditors name are as follow:

- Mr. Khitsada Lerdwana Certified Public Accountant (Thailand) No. 4958
- Miss Siraporn Earanankul Certified Public Accountant (Thailand) No. 3844
- Miss Waraporn Prapasirikul Certified Public Accountant (Thailand) No. 4579

The remuneration of the year 2014 was composed of auditor fee 1,377,000 Baht, and other fee to be total 1,456,153 Baht.

The remuneration for the subsidiary and affiliated companies was 415,000 baht

• Policy on Social Responsibility •

The company is focused on operating business honestly, transparently, and morally throughout the organization to achieve quality products and management, convenient, safe, and environmentally friendly as declared in its mission statement, vision, and values.

Guidelines about social responsibility

• Operating business morally

The company has policies encouraging employees to act strictly in accordance with the law, honestly, and responsibly by performing duties with transparency.

1. Receiving benefits and financial involvement with business partners of the company.

Employees naturally should not demand or accept money, items, or other benefits from customers, representatives, distributors, vendors, contractors, product salesmen, and other service providers. In addition, employees should not be financially involved such as invest or trade, lend or borrow money, collect, give cashier's check, loan, sell, rent, or rent out, or develop any financial obligation with these persons.

2. Receiving gifts by popular tradition

In an opportunity of a popular tradition, in which there is gift giving, if the employee receives a gift of unusual value from a business partner of the company, the employee is to report to the appropriate superior.

3. Conflict of interest

The directors and employees should not take advantage of being a committee member or an employee of the company, who are acting as a financial operations manager of the company, to seek personal benefits as well as business benefits.

4. The company is considers equality and honesty in business operations and benefits with trade partners.

Trading partners of the company should act strictly in accordance with the law and various rules and bear good morals in operating business. In competing in business, the company adheres to rules of competition, guidelines of practice, as well as being fair in borrowing from lenders and in making payments. Therefore, to be in line with such principles, the company has designated the following guidelines of practice:

4.1 Relationship with trade partners

- The company will not demand, accept, or provide any dishonest benefits in trading with partners.
- The company will act according to agreed terms and conditions with the trade partners.
- In the event that the company fails to act in accordance with the terms and conditions, it will promptly inform ahead of time to evaluate the situation and find a reasonable solution together with trade partners.

4.2 Relationship with trade competit

- Act within boundaries of fair competition.
- Refrain from damaging reputation of competitors with dishonest accusations.

4.3 Relationship with creditors

- Maintain and act in line with terms agreed upon with a creditor in terms of payment, taking care of assets for guarantee, and other terms, as well as not using funds borrowed for objectives other than that which was agreed upon with the lender.
- Report financial status of the company to the creditor honestly.
- Report to the creditor if the company fails to adhere to commitments in the contract, and work together to find a resolution to the issue.

4.4 Responsibilities to the supply chain

- Supporting trade partners to be responsible to society

The company has a system of examination and evaluation of trade partners in the supply chain to manage risk in terms of sustainability by considering quality, quantity, and product delivery and services received, as well as minimal requirements according to labor laws, environmental laws, and quality management systems such as ISO9001:2008, ISO14001, ISO17025, GMP, and HACCP standards, as well as company policies and purchase agreements with trade partners.

- Cooperating with trade partners to develop social responsibility

The company has policies to organize events together with trade partners such as cooperating to be responsible for society in terms of public benefits, environmental protection, and community development, as well as creative projects to promote and support better living of the underprivileged, the elderly, and youth.

The company has designated the appropriate terms of trade and contract such as designated delivery time, terms of payment, and fair prices.

- **Anticorruption**

The company will review business with trade partners, trade competitors, and trade creditors who collude in setting prices, as well as acting in any way to monopolize, obstruct, or eliminate trade competition that are illegal.

The company has the following guidelines about transparency of work and anticorruption within the organization:

1. Create a review process and a system of transparency control.
2. Designate an organizational structure and fair compensation according to good corporate governance.
3. Organize events to promote and communicate to create understanding leading to acceptance and application.
4. Instill a good conscience for employees and management to work transparently. Create values and culture to strive for excellence and good will.
5. Create a channel for complaints and create a response process that is quick and fair such as email, phone, complaint box, letters, etc. which can be filed to the Office of the Committee, Internal Audit Office, Human Resources Division, or direct superior.
6. Organize training for employees to promote honesty.
7. Produce an ethics manual for all employees.

Channel of complaint

Email, complaint box, letter, www.thailuxe.com “contact us”, or telephone number 082-357-6799

Process upon receiving complaints

1. Consider the complaint’s severity, impact on the organization, via the committee.
2. Appoint a committee to investigate facts regarding the complaint within 15 days.
3. Make a final judgment and hand out punishment.
4. Report the number of complaints and investigation results.

Measures to protect informant

1. Conceal identity of informant and informants.
2. Committee members must keep information confidential.
3. In the event that an employee is the informant, the company must provide protection according to the Labor Protection Act of 1998 and the Civil and Commercial code (item 3 type 6 : Employment Contract)

Acting in group cooperation

In the future, the company will register to cooperate in an anticorruption regional network.

• Respecting human rights

Human rights refer to rights of being human, which is a natural right all human beings are born with. Human rights cannot be transferred from one to another. There is no person, organization, or ever a state which can violate human rights. Human rights belongs to all people regardless of nationality, place of birth, gender, age, skin color, or wealth status. A violation of a person’s human rights in any country, by a person, group, or state, is considered a violation of human rights. The company considers general human rights, adhering to the following:

1. Act in accordance with laws and regulations of the company.
2. Study the details of assets of trade partners in doing business and management to prevent being associated with violations of human rights.
3. Evaluate risk of human rights violations, policies, and impact regularly. Produce concrete evaluation results to report to executives.
4. Arrange to have tools for complaints so that employees can freely and easily access complaint mechanisms to raise concerns or indicate negative impacts of human rights violations.
5. Investigate in the event that an accusation is raised and proceed to resolve the issue to lessen the impact on human rights appropriately.
6. Support the development of relationships and business capacity with allies regularly. Dissolving business relationships should be a last resort.
7. Report operations transparently.

Risk management and applications.

1. Plan to execute projects of the company carefully. Be deliberate in evaluating the feasibility of a project during execution or for future plans, and how it will impact the rights of employees, communities and surrounding society, as well as finding preventive measures.
2. Watch over the company, making sure it doesn't violate rights of the community or in the area of operations for that project.
3. Refrain from participating in wrongdoings which may cause violations of human rights both directly and indirectly, such as unignoring military or police officers' action or measures to pressure peaceful protests by citizens in the area the company is conducting its business.
4. Refrain from participating in operating a company project that may cause a disturbance to homes and property on which people make their living. If the action is legal by Thai law and international practice, reassurance should be provided to the person impacted by the project that they will be sufficiently compensated for.

Mechanisms of protection, care, and participation.

1. Solve issues caused by the negative impact of human rights violations caused by the decision making and operations of business in various ways, and improve the situation.
2. Place a complaint mechanism as a channel for employees of the company, or those who believe that their rights have been violated or have been treated unfairly, to be able to seek care. There should be public relations to raise awareness.
3. Mechanism to receive complaints which is a step-by-step process with a clear time frame. There should be freedom to examination and making a decision while considering the outcome and any care which is in line with human rights.
4. Utilize negotiation to reconcile as a part of the complaint resolution process to seek resolutions agreeable to both sides.
5. Promote and open opportunities for employees, community, and society to participate in expressing their opinions if the company or personnel of the company may have violated rights. This is for the benefit of reflecting on a problem and seeking resolutions.

• Treating workers fairly

Thailuxe gives importance to acting in accordance with the law and regulations. It also supports participation of employees and their rights to express their opinions, safety in the workplace, and employee development of knowledge and capacity with equality.

1. Employment

- Not using labor forcibly or child labor.
- Not having prejudice in employment.

2. Employee's right to participate

- Giving importance to negotiation.
- Participating in negotiations with employees.

The company opens opportunities for employees to express their opinions via various channels such as email, telephone, complaint box, letters, and various relevant meetings.

3. Right to receive news and information

The company gives employees equal rights to receive news and information via public relations boards, intercom, website (www.thailuxe.com), etc.

4. Developing relationships and participation

The company develops relationships and participates with employees and executives by making merit, giving alms, presenting robes to monks, releasing fish, planting trees in wetlands, etc.

5. Develop and promote employees

The company is dedicated to developing and promoting employees regularly as they are valuable assets to success. The company also prepares the employees to be “good” and “capable” people by developing in terms of knowledge, ability, and capacity continuously in line with the employee's capacity as well as creating an organizational value. There should be a target KPI as a measure, teach new duties when there are adjustments in duties, and when accepting new employee applicants. This is all for the equal progression of the employees without prejudice.

Proportion of employees at various levels

Level	Male	Female
High-level executive	0.58%	0.43%
Medium-level executive	2.16%	3.17%
Supervisors	2.89%	3.61%
Employees	40.69%	46.46%
Total	46.32%	53.68%

6. Health and safety

- The company gives importance to health and safety in the workplace of employees. The company arranges to have annual check-ups for all employees, provide accident insurance, employee insurance for those who face danger in their work.
- Train employees on safety and run fire drills annually.
- Adjusting the work environment appropriately by arranging the area and brightness to be appropriate for work, as well as testing regularly.
- The company arranges for safety tools and personal safety tools necessary for employees.
- The company records and investigates all accidents and incidences.

7. Benefits

The company compensates employees who have worked to the fullest of their capacities by rewarding benefits and various privileges which the employees of the company deserve. Details are as follow:

Social Security	This fund was created to support employees in the event of an illness, delivery (pregnancy), disability, or death not caused by work.
Workmen's Compensation Fund	This fund was created for to support employees in the event of medical emergencies caused by work.
Provident Fund	This fund collects money from employees and the company as a retirement
Health check-up	All employees will receive an annual health check-up from a credible hospital.
Nursing room	There is a nursing room and household medicine for employees in the event of an emergency or illness.
Training	We believe that good personnel are a factor which will lead the company to success. Therefore, we open opportunities for employees to increase knowledge and expertise to improve work capacity by providing training sessions internally and externally.
External seminars	The company organizes seminars at tourist attractions to allow staff to enjoy an annual vacation and to promote teamwork skills for employees.
Group Personal Accident insurance	This is a measure to decrease conflicts in terms of compensation between the employer and employees in the event that the employee face death, loss of limbs, or pay medical bills, for which the employer did not make a Group Personal Accident insurance, the employer must pay, or if the employee has received compensation in the amount less than expected, which may cause damage to the reputation of the organization.

Guidelines or project to promote quality of life for employees.

The organization must be made up of people in the organization including employees, supervisors, and executives. The component of happiness is an organization that all employees work together happily and has a good work environment, the organization pays fair and appropriate compensation, teamwork environment, helping one another, being kind and generous. A happy organization is a prosperous organization as well.

- **Responsibility to consumers**

The company is a leader in quality shrimp feed. It is the first shrimp feed producer in Thailand that has the quality assurance standard of ISO 9001, ISO 14001, GMP & HACCP, and Q Mark, which are product quality and safety assurance for consumers. This is to acquire both domestic and international consumer acceptance for the products, as well as instilling confidence in the products' value and ability to meet consumer needs.

In terms of prices, products are controlled by the Department of Internal Trade and prices are in reference to the central market of fishery products. This reassures customers that prices are fair. Packaging varies to serve customer demands. They are registered for all products being distributed. Also, product use directions are in line with guidelines of the Department of Fisheries. In addition, a team of academics has produced a manual on aquatic animal farming for each stage of lifecycle to be distributed to all farmers.

In terms of, safety and product insurance, The company production processes meets the Good Manufacturing Practice standard or GMP, which is a guideline and good practice in food production to ensure safety and consumption confidence. The principle of GMP covers the location of the business, building structure, manufacturing process, safety, and quality are all up to standard. This extends to sanitation and hygiene. HACCP Hazard Analysis Critical Control Point is applied to analyze danger hazard and critical point control. It is a safety standard management system, which is used to control the manufacturing process of food that is safe from 3 areas including chemical, physical, and biological dangers, from raw material to consumer hands.

We have developed a quality assurance system. Laboratory results are required to meet international standard, and are produced in a quick and credible manner. The company has also developed a regular quality testing system to ensure satisfaction and benefit of the customers. Our laboratory meets the ISO/IEC17025 standard, certified by the Department of Science Service, which is a guideline for quality management of a laboratory. Furthermore, the company has opened channels for customers to inquire information and file complaints about products.

The amount of chemicals used in the inspection of products has also been reduced, by using NIRs technique, for quick reporting and friendly to the environment.

- **Environmental care**

The company is aware of various problems with the environment. The company is determined to apply a certified environmental management system (ISO 14001) as a key mechanism both in drafting environmental policies, setting objectives/goals, and executing environmental management projects. This includes testing and reviews to improve and develop systems to ensure effectiveness regularly. The hope is that the company will become an organization with quality staff, technology, and manufacturing without doing harm to the society and environment, and in turn, become a part of sustainable development of the country.

Thailuxe is determined to develop quality of products and services for consumers while also taking care of the environment. A team of academics have been deployed to conduct research and development of product quality with a focus on raw materials and the goal of lessening environmental impact to the very least, while consumers can still enjoy quality of products and services.

The building and production process were designed by using the SKY Light lit in the daytime to reducing energy consumption. Besides, the company has seen the importance of finding alternative energy sources, by using the wind turbine power converter is used in office buildings to reduce energy consumption and resource integration.

Thailuxe gives importance to aquatic resources management in every step of its work, covering all the way up- and downstream. Plans and projects are to use the least water effectively to lessen impact on the surrounding environment and community. The following measures have been applied to prevent aquatic pollution :

1. Implementing a water treatment system from the manufacturing process, which should control, treat, and improve the quality of water to meet legal standards. The quality of water is tested by a private agency internationally certified. There is also concern for emergencies in water management to make sure there is no impact on surrounding communities and environment.
2. Managing water both used within the company and in the wastewater treatment system. Water is retrieved from natural sources such as well-water with care for sustainability of natural resources. Wastewater management is handled by a wetland system to improve the quality of wastewater which could be recycled for environmental management in the factory. An area is designated to receive rainwater to complement well-water in the manufacturing process to lessen the use of well-water. Release of wastewater into communities is strictly prohibited.

Smell, dust, and noise pollution prevention

As Thailuxe is a company which produces aquafeed, smell, dust, and noise pollution is inevitable. Surrounding communities may sometimes be affected. However, technology to manage smell has been applied using a wet scrubber as a tool to get rid of gas and vapor. Small particles are handled with water sprayed as mist throughout the area which will then make impact with a stream of gas. The impact will cause inertia which is the main mechanism of interception and dispersion.

- Air

With the determination to become a green factory which coexists with communities happily, the company has set various goals to meet standards by developing and improving by applying appropriate technology to manage air pollution.

- Dust

Dust pollution is managed by a jet filter in each area of the manufacturing process which will cause dust pollution. A preventive maintenance plan is also applied to make sure that the machine is effectively functioning at all times.

- Noise

The Air Silencer is applied to lessen noise pollution to both employees and nearby communities. In addition to applying effective machines and tools to manage environmental impact of the manufacturing process to be up to standard, there is also a regular review system of quality of air that is released from the factory's chamber. Machine quality and effectiveness are monitored regularly. Smell, dust, and noise pollution tests are conducted in nearby communities to improve and develop their respective management systems.

Energy and climate changes

The company insulates all of its steam and heat conductors in the manufacturing process to lessen use of steam energy which will lessen use of fossil fuel. Pull switches are also installed in the office building to save energy. Regular switches will turn all lights on at once, which wastes energy. Sometimes only lights are needed in some areas but not the other, in which case a pull switch allows the office to save money by allowing such function.

Biodiversity and ecology

The company is aware of biodiversity and ecology. On December 13, 2007, the company organized the project in honor of His Majesty the King's 80th birthday, to plant 1,299 plants on 7 rai of land and planted forest trees in wetlands of Samut Songkhram and Surat Thani provinces to expand green ecological areas. The company also participated in the project to release fish annually to replenish the number aquatic animals in natural water sources.

Operating a farming business under the Global G.A.P. standard is a product and manufacturing management guarantee for such product, that there is no usage of GMOs or cross-species contamination. This ensures that consumption of each product is guaranteed quality at the least environmental impact.

With the determination to care for the environment, save resources, save energy, all employees of Thailuxe cooperate in helping in Thailuxe's environmental projects to achieve the objectives and to be in line with policies effectively.

• Community and social development

The company gives importance to education. Promoting education in youth especially in impoverished areas is a priority for the company. The company takes part in sustainable community development by adhering to the Sufficiency Economy philosophy of His Majesty the King. The following projects have been implemented with the intention of community and social development:



Thailuxe Graduate Project

is a project that the company intends to participate in youth development to enhance ability and educational opportunity. It is meant to provide a means and drive for the country, promote community strength, and a happy society. These are the basic foundation of enhancing career knowledge and capacity and in turn security for oneself and society.

All throughout the 9 years that the project “Thailuxe Graduate Project” has been implemented, there have been 1,000 scholarships handed out to employees, children and grandchildren of employees and customers, as well as students from various educational institutions. The company is determined to instill values among youth and to highlight the importance of education, as well as to enhance capable human resources, ready to improve the quality of society.



The School Fishery Project

has been in operation for 9 years. It has organized activities across all regions of the country at more than 10 schools per year. The project involves giving more knowledge and understanding about fish farming to students in community schools and local schools in impoverished areas. It also supports lunch projects to provide students with nutritious meals with good sanitation and hygiene, leading to a sustainable career path in the future.





The Fish Releasing Project

replenishes life in water sources to promote and instill a conscience in communities to participate in protecting ecological balance. Fish are released into natural habitats to expand aquatic species and to enrich the environment. Knowledge and understanding about natural resources are established in the community according to the guideline of sustainable community management.



Thailuxe Wetlands Protection Project

The Community Relations Project. The company is determined to support and be involved in community development, as well as the society to develop strong relationships. The focus is to offer communities benefits to improve local economy for better living and sustainability. This project is a volunteer project for employees as well as executives who only voluntarily join its various activities.



Internal Control and Risk Management

The Board of Directors' Meeting No. 4/2014 on 12 November 2014, which 3 members of the Audit Committee attended the meeting. The Board of Directors has assessed the internal control by the evaluation report of the Audit Committee and concluded that the evaluation of the Company's internal control systems in various 5 components

1. Organizational Control and Environment Measure
2. Risk Management Measure
3. Management Control Activities
4. Information and Communication Measure
5. Monitoring

The Board of Directors considered that Company's internal control over transactions with major shareholders, directors, executives or related persons was sufficient.

The Internal Audit Department has been reviewing the performance of various departments. If there are any flaws. Significant will be reporting directly to the Audit Committee.

Auditor of the Company is Mr. Khitsada Lerdwana, the auditor of the quarterly financial statements and yearly financial statement of the year ended 2014, gave the opinion that the Company has no flaws about internal control systems.

The Company has appointed Ms. Somsri Assasnee to the position of Deputy Manager of Internal Audit, act as the head of internal audit of the company since 2004, as she had the experience to perform the audit and had been trained in courses relevant to operations, including internal audit, such as Internal audits to prepare for the Certified Internal Auditor . She had an understanding of the activities and operations of the Company. So it is appropriate to perform such duties appropriately enough.

The approval of the appointment, transfer and dismissal of internal audit of the company must be approved by the Audit Committee.

The Connected Transaction

Juristic Person or Person in charge		Relation	
Thailuxe Food Products Co., Ltd. (TLF)		Thailuxe Food Products Co., Ltd. is the subsidiary. TLUXE is holding 97.79% of total paid up capital	
Category of Transaction	Detail	Amount (Million Baht)	Necessary and Properly of the Transaction
		2014	
The company lease the cold storage to TLF	<ul style="list-style-type: none"> Rental Fee Ending balance 	4,400,000 -	The transaction is properly since after the company stopped producing the frozen food, the company had no necessary to keep the cold storage for business. Therefore, the company rent the cold storage to TLF to earn income. The rental fee is agreeable fee.
The company gave loan to TLF	<ul style="list-style-type: none"> Interest Ending Balance 	1,643,014 -	The transaction is appropriate because the company charges interest by reference to market rate.

Juristic Person or Person in charge		Relation	
Thai Demeter Co., Ltd. (TDMT)		Thai Demeter Co., Ltd. is the subsidiary. TLUXE is holding 100% of total paid up capital	
Category of Transaction	Detail	Amount (Million Baht)	Necessary and Properly of the Transaction
		2014	
The company sell the raw material to TDMT	<ul style="list-style-type: none"> Revenue from sell Ending balance 	14,825,090 129,875	The transaction is properly since it was fair trading. The selling price was determined by reference to market price.

Juristic Person or Person in charge		Relation	
Thai Asse Trading Co., Ltd. (Thai Asse)		Thai Asse Trading Co.,Ltd. is 100 % holding by Seneepakonkai group	
Category of Transaction	Detail	Amount (Million Baht)	Necessary and Properly of the Transaction
		2014	
The company rent Thai Asse building for Bangkok branch office	<ul style="list-style-type: none"> Rental Fee Ending balance 	480,000 -	The transaction is properly since the company needs space in Bangkok area for Bangkok branch office. The rental fee is fair and can be compared with the nearby buildings.

Measures or procedures for permission for related transactions.

Related transactions conducted by the Company or by its Subsidiaries that may materialize with persons having interests and taking risk factors such as, sale of goods and purchase of goods and so on. The Company would entrust Audit Committee to make consideration of these items, by using prices of other manufacturers for comparison with the sales prices of the Company or between the Subsidiaries and persons whose interests may be contradictory. The directors must work under the related transaction of the Company's regulations or of its Subsidiaries and shall not approve any transactions which the director himself or related persons may have conflicted of interests. The transactions have to be submitted to the Board of Directors for consideration. The Company must abide by the law governing stocks exchange, including orders, regulations or limitations prescribed by SET. The Company shall also work as per terms relating to divulgence of data concerning connected transactions including acquisition of assets of the Company or of the Subsidiaries. In case Audit Committee has no experience, the Company may have to hire private experts or independent Auditor to work in this respect, to enable Board of Directors to make decision. Data shall be divulged in the report under the remarks accompanying Financial Statements audited by the Company's Auditor. At the same time, information shall be divulged in the Annual Report of the Company and in Form 56-1 as well.

Ratio Analysis

		The consolidated			The company only		
		2012	2013	2014	2012	2013	2014
Liquidity Ratio							
Liquidity Ratio	(time)	2.29	2.22	2.24	2.44	2.42	2.30
Quick Ratio	(time)	1.45	1.42	1.22	1.56	1.57	1.24
Account Receivable Turnover	(time)	14.26	12.98	13.97	15.25	13.63	16.19
Average Collection Period	(day)	25.24	27.74	25.77	23.61	26.41	22.23
Account Payable Turnover	(time)	19.20	15.68	14.47	18.66	15.13	13.81
Average Payment Period	(day)	18.75	22.96	24.88	19.29	23.80	26.07
Cash Cycle	(day)	62.87	65.26	60.73	62.62	66.35	60.74
Inventory Turnover	(time)	6.39	5.95	6.02	6.17	5.65	5.58
Average Selling Period	(day)	56.38	60.48	59.83	58.30	63.74	64.57
Total Asset Turnover	(time)	1.83	1.39	1.25	1.69	1.31	1.13
Profitability Ratio							
Gross Profit Margin	(%)	14.46	12.73	9.66	14.88	13.65	9.76
Net Profit Margin	(%)	4.94	1.67	(0.50)	6.27	2.40	(0.26)
Efficiency Ratio							
Return on Asset	(%)	8.59	2.41	(0.62)	10.60	3.14	(0.29)
Return on Equity	(%)	12.23	3.26	(0.80)	14.49	4.13	(0.37)
Financial Ratio							
Debt to Equity Ratio	(time)	0.39	0.31	0.25	0.35	0.28	0.23
Interest Coverage Ratio	(time)	31.28	8.74	(0.96)	43.36	12.35	(0.08)
Dividend Payout Ratio	(%)	69.05	92.09	-	60.98	71.21	-
Other Ratio							
Earning per Share	(baht)	0.32	0.09	(0.02)	0.38	0.12	(0.01)
Basic Earning per Share	(baht)	0.36	0.10	(0.02)	0.43	0.13	(0.01)
Book Value	(baht)	3.14	3.08	2.97	3.11	3.07	2.99

Management Discussion and Analysis

For 2014, the Group of Companies earned total revenue of 2,155.63 million Baht, consisted of the revenue from feed and farm business, the revenue from The Frozen Processed Shrimp business, and other revenues at 1,888.94 million Baht, 245.51 million Baht, and 21.17 million Baht respectively or 87.63%, 11.39%, and 0.98% of Total Revenue. When compared to the previous year, the total revenue decreased 15.50%. Net loss attributable to equity holders was 10.85 million Baht decreased 125.50% compared to the previous year.

As for the consolidated assets of the Group of Companies, according to the Consolidated Financial Statement as at the end of 2012-2014, the Group of Companies had total assets of 1,856.83 million Baht, 1,762.43 million Baht, and 1,666.26 million Baht respectively. In 2014, the decreased in assets mostly attributed to Current assets mostly comprising current investments in cash, which moved in the same direction as the decreasing of the sales. The Group of Companies had the ratio of liquidities in each year was equal to 0.47 times and 0.54 times, and 0.22 times respectively. While at the same time, the Group of Companies had consolidated liabilities as at the ends of the year 2012-2014 totaled 521.80 million Baht, 420.98 million Baht and 337.10 million Baht respectively and had the debt ratio to shareholders' equities equal to 0.39 times, 0.31 times, and 0.25 times respective for each year.

Return on Asset of the Group of Companies was (0.62%), decreased from previous year, also the Return on Equity was (0.80%), which also decreased from previous year. The main reason was the company performance showed net loss in year 2014. During 2014 the Company had an increased paid-up capital by the exercise warrants to buy ordinary shares of the Company allocated to the existing shareholders (TLUXE-W2) and to management and/or employees according to ESOP No. 2 ("TLUXE-ESOP2"). The said warrants were due to expire on 20th February 2015.

The analysis of the operating results and financial position of the Company are according to the following details.

• Operating Result

Revenue	2012		2013		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from feed business	2,600.90	81.14%	2,005.45	78.62%	1,831.82	84.98%
Revenue from the frozen processed business	334.82	10.45%	225.05	8.82%	244.42	11.34%
Revenue from farm business	95.83	2.99%	39.46	1.55%	29.57	1.37%
Other revenues	112.84	3.52%	252.75	9.91%	28.65	1.33%
Total Revenue from sales	3,144.39	98.10%	2,522.71	98.89%	2,134.46	99.02%
Service income	1.39	0.04%	0.14	0.01%	-	-
Rental income	0.50	0.02	0.16	0.01%	0.16	0.01%
Other income	59.54	1.84%	27.93	1.09%	21.01	0.97%
Total revenues	3,205.82	100.00%	2,550.94	100.00%	2,155.63	100%

Revenue from Sale

In 2012 – 2014, the Revenue from sales of the Group of Companies showed 3,144.39 million Baht, 2,522.71 million Baht, and 2,134.46 million Baht respectively, which consisted of revenue from feed business, revenue from the Frozen Processed business, revenue from farm business, and others. The main revenue from sale was from the revenue from feed business.

In 2014 the Group of Companies had total revenue from sales at 2,134.46 million bath, decreased 388.25 million Baht, or 15.39% compared to the previous year, due to the EMS epidemic in shrimp cultivation, which caused the revenue from shrimp feed business declined 34.16%. The revenue from fish feed business was increased 8.15% when compared to the previous year, due to the increasing in fish meat consumption, however, the increasing in revenue from fish feed could not replace the absent of revenue from shrimp feed.

Service Income and Rental Income

During 2012-2014, the Group of Companies earned service income amounting to 1.39 million Baht, 0.14 million Baht, while no income in 2014. Moreover, in 2012- 2014, the Group of Companies earned rental income of 0.50 million Baht, 0.16 million Baht, and 0.16 million Baht respectively, which was income from the rental space of ATM machine.

Other Income

The Group of Companies during 2012 and 2014 earned other income of 59.04 million Baht, 27.93 million Baht, and 21.01 million Baht respectively, comprising gain from disposal of current investment and interest. In 2012, the Company sold its joint venture business overseas, thus there arose the recording of gain on return of capital/disposal of investments in subsidiaries at the amounted of 20.86 million baht.

Cost and Gross Profit

Principal costs of sales of the Group of Companies are the costs of raw materials for manufacture of animal feeds such as fishmeal, soybean meal, wheat flour, squid liver, etc. The Group of Companies would purchase the said raw materials both domestically and abroad. In 2012-2014, the Group of Companies had the costs of sales amounting to 2,689.79 million Baht, 2,201.56 million Baht, and 1,928.34 million Baht respectively. The increase or decrease in the costs of sales is in tandem with expansion or the contraction of the income from sales. During 2012-2014, the Group of Companies had the ratio of the cost of sales per income from sales at 85.54 percent, 87.27 percent, and 90.34 percent respectively, similarly rendering the Group of Companies the gross profit at 14.46 percent, 12.73 percent, and 9.66 percent respectively. Before year 2011, the Company managed to maintain the ratio of cost and of gross profit thanks to the appreciation of Baht currency, resulting in reduced cost of import of raw materials from overseas of the Group of Companies. But started from year 2012, although the company was introducing advance production and purchasing raw materials plan, the Company was unable to maintain the cost of sales and rate of gross profit owing to continued soaring price of the principal raw materials and the impact from the EMS epidemic in white shrimp which impacted the sales during the third and in the fourth quarter of year 2012, continued to year 2014.

Selling and Administrative Expenses

In 2012-2014, the Group of Companies incurred the selling and administrative expenses amounting to 280.22 million Baht, 260.41 million Baht and 232.19 million Baht respectively with the ratio of selling and administrative expenses to total revenue at 8.74 percent, 10.21 percent, and 10.77 percent respectively for each year. The main components of the selling and administrative expenses are salary, marketing promotion cost, traveling expense.

As for the increase in the proportion of the selling and administrative expenses per total revenue of the Group of Companies in 2014, when considering in detail found that the selling expense was decreased compared to the previous year, according to the decline in sales volume. In contrast, the administrative expenses was increased from the depreciation of new Songkla factory.

Net profit

The Group of Companies in 2012-2014 registered the net profit of 158.49 million Baht and 42.57 million Baht and (10.85) million Baht respectively, accounting for the net profit per total revenue equal to 4.94 percent, 1.67 percent, and (0.50) percent respectively. The decline in net profit in 2012 – 2014 was resulted from the slowdown of sales from epidemic in shrimp during 2012 - 2014. The Group of Companies scored the decline in gross profit and the operating profit during 2012 and 2014; earning the gross profit of 14.46 percent and 12.73 percent and 9.66 percent respectively with the operating profit equal to 5.55 percent and 2.41 percent and (1.22) percent.

• Financial Position

Total Assets

The total assets of the separate Financial Statement as at the end of 2012-2014 continually were on the rise with value equal 1,789.56 million Baht, 1,715.66 million Baht, and 1,641.19 million Baht respectively.; while the total assets in the Consolidated Financial Statement of the Group of Companies as at the end of 2012 - 2014 stood at 1,856.83 million Baht, 1,762.43 million Baht and 1,666.26 million Baht respectively. The main components of the assets of the Group of Companies can be shown as follows:

Assets	% per Total Assets		
	2012	2013	2014
Cash and cash equivalents	9.39	13.34	1.69
Current Investments	15.48	9.04	11.55
Trade accounts receivables – net	13.00	9.00	9.46
Inventories - net	22.66	18.10	19.32
Current Assets	61.64	50.19	42.42
Property, plant and equipment	33.89	45.19	54.57
Non-Current Assets	38.36	49.81	57.58

There was a change in the components of the assets of the Group of Companies. The current asset per total assets was decreased from 61.64 percent as at the end of 2012, to 50.19 percent as at the end of 2013; and at the end of 2014 it dropped to 42.42 percent. The main decreasing part of current assets of the Group was cash and cash equivalents, trade receivables, trust receipts and packing credits

While the proportion of non-current assets comprising main items namely, property, plant and equipment increased from 38.36 percent at the end of 2012 to 49.81 percent at the end of 2013, and rose to 57.58 percent as at the of 2014 respectively. The main cause was owing to the machinery and equipments for new Songkla factory, resulting in the rise of non-current assets.

Trade Account Receivables

The main account receivables of the Group of Companies are domestic and overseas cultivators of aquatic animals and distribution agents of the Company based in various provinces of Thailand. The trade account receivables of the Company which showed in the Separate Financial Statement as at the of 2012-2014 were at value equal to 211.94 million Baht, 136.67million Baht and 137.94 million Baht, which accounted for 11.84 percent, 7.97 percent and 8.40 percent of total assets in each year respectively. As for the Financial Statement of the Group of Companies as at the end of 2012-2014, there were the trade account receivables stood at 241.40 million Baht, 158.70 million Baht and 157.70 million Baht respectively, which accounted for the proportion of 13.00 percent, 9.00 percent and 9.46 percent of total assets of the Group of Companies during the said period of time.

Trade accounts receivables	2012		2013		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Not yet due	170.77	67.91	93.63	61.34	109.72	66.59
Past Due						
Up to 3 months	66.99	26.64	54.09	35.43	44.91	27.26
3 – 6 months	4.41	1.75	0.78	0.51	5.73	3.48
6 - 12 months	1.51	0.60	3.45	2.26	2.63	1.60
over 12 months	7.80	3.10	0.70	0.46	1.77	1.07
Total	251.48	100.00	152.65	100.00	164.76	100.0
Less: Allowance for doubtful debts	(10.89)	(4.33)	(4.54)	(2.97)	(7.24)	(4.39)
Total trade receivables - net	240.59	95.67	148.11	97.03	157.52	95.61
Other receivables	0.80	0.32	10.58	6.93	0.18	0.11
Total trade and other receivables	241.39	95.99	158.69	103.96	157.70	95.72

In 2014, the trade account receivables of the Group of Companies were increased at the rate of 7.93 percent compared from the previous year, and average collection period was 25.77 days. In the aspect of the quality of trade account receivables, taking into aged on the basis of due dates, It was found that the Group of Companies had the not yet due account receivables approximately 66.59 percent of the total of net trade account receivables and past due account receivables is about 33.41 percent of the total net account receivables, mostly are the account receivables in arrears of not more than 3 months.

Inventory

At the end of 2012-2014, the Group of Companies had net inventories equal to 420.67 million Baht, 319.06 million Baht and 321.88 million Baht, a proportion of about 22.66 percent, 18.10 percent and 19.32 percent of the total assets respectively. The principal items comprise raw materials in the proportion about 70.64 percent and the finished goods in the proportion of about 14.13 percentage of the total inventories of the Group of Companies.

	2012		2013		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished goods	86.83	20.20	54.36	16.50	47.83	14.13
Work in Process	10.35	2.41	14.48	4.39	-	-
Raw Materials	202.51	47.12	191.33	58.06	178.28	52.69
Raw Materials in transit	85.40	19.87	15.89	4.82	60.77	17.95
Packing materials and supplies	22.52	5.24	22.50	6.83	21.20	6.26
Spare parts	22.16	5.16	30.98	9.40	30.41	8.97
Total	429.77	100.00	329.54	100.00	338.49	100 .00
Allowance of stock obsolescences	(9.10)	(2.12)	(10.48)	(3.18)	(16.61)	(4.91)
Inventories-net	420.67	97.88	319.06	96.82	321.88	95.09

In 2012, the Group of Companies inventories were increased from the raw material at the rate of 0.88 percent. At the end of 2012-2014, the Group of Companies set up a reserve for allowance of stock obsolescences equal to 9.10 million Baht, 10.48 million Baht and 16.61 million Baht respectively. The setup of the said reserve was the allowance for raw materials, packaging materials and supplies and the spare parts.

Investment in subsidiary and associated companies

In 2012, the Company had invested in Thailuxe Food Products Co., Ltd. in a ratio of 97.79 percentage to the authorized capital, accounting for the investment of 97.79 million Baht to operate a business of producing and distributing Frozen Processed food for distribution both domestically and overseas, and invested in Thai Demeter Company Limited in the ratio of 100 percentage to the authorized capital, accounting for the investment of 3 million Baht to be trading business. The details of investment of the Company in the subsidiary as at 31 December 2014 are shown as follows:

	Type of Business	Investment Ratio	Paid-Up Capital (Million Baht)	Provision for impairment of investment (Million Baht)	Value of investment - net (Million Baht)
Thailuxe Food Products Co., Ltd	Manufacturing and selling frozen processed food	97.79	100	25.93	44.38
Thai Demeter Co., Ltd	Trading of aquafeed raw material	100.00	3	-	3.00

Other long-term investments

Other long-term investments at the amount of 11.45 million baht is the general investments in Thai Cloth Print & Dyeing PCL., and also the investment in held to maturity debt securities with Bank of Thailand bonds.

Long-term Account Receivables

Long-term account receivables of the Company are trade account receivables being in arrears for a very long time and pending a lawsuit. The Company's total long-term account receivables as at the end of 2012-2014 stood at 0.37 million Baht, 8.30 million Baht and none in 2014, accounted for 0.02 percent, 0.47 percent and none percent of total assets as at the said duration respectively. The Company had a policy to set up an allowance for doubtful debts taking into account auction price of the security or value of the security. As at the end of 2014, the Company set up an allowance for doubtful debts for long-term account receivables of 57.31 million Baht.

Land, building and equipment

Land, building and equipment of the Group of Companies at the end of 2012-2014 stood at 629.22 million Baht, 796.40 million Baht and 909.32 million Baht respectively, accounted for 33.89 percent, 45.19 percent, and 54.57 percent of total assets. Incidentally, the principal components of the land, building and equipment of the Group of Companies are:

1. Land and improvements and plant building located in Samut Songkram province, of total area of 50 rai 1 ngan 64 square wah. It used to be the old factory of the Company (presently it is not in production).
2. Land and improvements and animal feeds production plant located in Petchburi, of total area of 62 rai 3 ngan 10 square wah.
3. Land in Songkla province of 49 rai 3 ngan 96 square wah. A location for the construction of a new plant for production of aquatic animal feeds.

As at the end of 2014, the Group of Companies had an increase of property, plant and equipment due to a factory building under construction and machinery under installation, including the acquisition of equipment.

Sources of the capital

The structure and sources of capital for operation of the Group's business can be presented as follows :

	% per Total Asset		
	2012	2013	2014
Increase (decrease) in bank overdrafts and short-term loans	2.43	1.49	0.70
Trust receipts and packing credits	10.69	9.75	6.67
Trade and other Payables	11.68	10.28	11.08
Liabilities under long-term lease agreement due within 1 year	0.31	0.15	0.04
Other current liabilities	0.28	0.33	0.24
Current Liabilities	26.90	22.65	18.94
Liabilities under long-term lease agreement due over 1 year	0.13	0.14	0.00
Provision for long-term employee benefits	1.07	1.10	1.29
Non-Current Liabilities	-	-	-
Total Liabilities	28.10	23.89	20.23
Shareholders' equity	71.90	76.11	79.77
Debt to Shareholders ratio	0.39	0.31	0.25

When taking into account the capital structure of the Group of Companies in year 2014, most of the sources of the capital of the Group of Companies came from the shareholders' equity which accounted for a ratio of 79.77 percentage of total capital of the Group according to the Consolidated Financial Statement. The Group of Companies had a ratio of debt to shareholders' equity at low level. During 2012-2014, the Group of Companies had the said ratio of debt to shareholders' equity of 0.39 times, 0.31 times and 0.25 times respectively.

Total liabilities

At the end of 2012 -2014, the Group of Companies had total liabilities of 521.80 million Baht, 420.98 million Baht, and 337.10 million Baht, accounted for 28.10 percent, 23.89 percent and 20.23 percent of total assets in each year respectively. In 2014, most of total liabilities of the Group of Companies was current liabilities, which comprising the principal items such as trade account payables and trust receipts. The said items are the source of capital for procurement of raw materials and for working capital of the Company.

Shareholders' equities

As at the end of 2012-2014, the Group of Companies had the shareholders' equity equal to 1,335.03 million Baht, 1,341.45 million Baht, and 1,329.16 million Baht respectively. The decrease in the shareholders' equity of 2014 resulted from net loss from operation; rendering the Group of Companies to have an decrease of retained earnings from 564.05 million Baht in 2013, to 525.03 in 2014. At the same time, the Company had an increase of already paid-up capital attributable to the exercise of right to buy ordinary shares by the Company, of the holders of the share warrants allotted to the existing shareholders (TLUXE-W2).

The Group of Companies had consistently paid out dividends. In 2012, dividend was paid at the rate of 0.26 Baht per share which accounted for the value of the dividend of 106.04 million Baht. In 2013, the dividend was paid out at the rate of 0.09 Baht per share which accounted for the value of the dividend of 39.20 million Baht, but in 2014 the Company paid no dividend due to the loss from operation.

- **Liquidity**

In 2014, the Company had the Cash flows from operating activities of 78.84 million Baht, decreased from previous year at 162.03 million Baht. The Cash flows from investing activities totaled 203.85 million Baht; mostly the Company spent on purchase of land, building and equipment for the new animal feeds manufacturing plant in Songkla; the Cash flows from financing activities net of 81.95 million Baht. The Cash flows from financing activities was the cash flow earned from the exercise of the convertible right to the warrants TLUXE-W2 and TLUXE-ESOP2 amounting of 27.05 million Baht. The Company used a sum of money to settle the short-term loan debt and the trust receipt to the Bank and repay the liability at 61.55 million Baht, including cash payment of the second half 2013 dividend totaling 28.35 million Baht. The cash and cash equivalent items as at 31 December 2014 was equal to 28.24 million Baht.

The liquidity ratio according to the Consolidated Financial Statement as at 31 December 2014 was equal to 2.24 times, increased from 2013, which was at 2.22 times and Cash Cycle was equal to 60.73 days, decreased from 2013, which was at 64.26 days.

Responsibilities of the Board of Directors upon Financial Report

The Board of Directors is responsible upon the Company's financial report. Presentation of the Company's financial report was made in accordance with generally accepted accounting standard by following accounting standard prescribed by the Certified Accountant and Auditor Association of Thailand, using appropriate accounting policy on a regular basis in transaction to ensure that the accounting information is accurate, complete and adequate to maintain properties of the Company and prevent abnormal transactions which may occur.

The Board of Directors appointed the Audit Committee comprising 3 independent directors to oversee and ensure that the financial report is truthful, complete, adequate and reliable, and to supervise appropriate and efficient internal control system. The Board of Directors finds that the quality of the Company's internal control system is generally adequate and appropriate to provide reliability of the financial statement as at 31 December 2014.



Mr. Anurot Seneepakonkai
Chairman of the Board of Directors

Independent Auditor's Report

To the Shareholders of Thai Luxe Enterprises Public Company Limited

I have audited the accompanying consolidated financial statements of Thai Luxe Enterprises Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Thai Luxe Enterprises Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 judgement, 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 financial statements referred to above present fairly, in all material respects, the financial position of Thai Luxe Enterprises Public Company Limited and its subsidiaries and of Thai Luxe Enterprises Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Khitsada Lerdwana
Certified Public Accountant (Thailand) No. 4958

EY Office Limited
Bangkok: 25 February 2015

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of financial position : As at 31 December 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	28,241,201	235,186,473	23,743,760	228,944,925
Current investments	8				
Trading securities		1,000,518	642,972	1,000,518	642,972
Available-for-sale securities		131,436,706	158,687,260	131,436,706	158,687,260
Others		60,000,000	-	60,000,000	-
Trade and other receivables	6, 9	157,698,899	158,699,181	137,940,356	136,672,631
Short-term loans to related party	6	-	-	-	25,000,000
Inventories	10	321,876,651	319,067,691	306,707,118	304,775,984
Other current assets		6,511,964	12,207,133	4,263,311	10,572,110
Total current assets		706,765,939	884,490,710	665,091,769	865,295,882
Non-current assets					
Restricted bank deposits	11	1,040,338	1,000,000	1,040,338	1,000,000
Investments in subsidiaries	12	-	-	47,381,569	9,381,569
Other long-term investments	13	11,449,590	11,449,590	11,449,590	11,449,590
Long-term receivables	9	-	8,297,613	-	8,297,613
Investment properties	14	3,364,900	3,864,900	13,164,774	15,585,616
Property, plant and equipment	15	909,320,985	796,405,779	873,493,044	752,199,793
Intangible assets	16	9,682,040	10,059,566	9,682,040	10,059,566
Deferred tax assets	25	23,884,357	20,895,818	19,440,274	16,466,375
Other non-current assets		748,130	25,967,542	442,630	25,930,042
Total non-current assets		959,490,340	877,940,808	976,094,259	850,370,164
Total assets		1,666,256,279	1,762,431,518	1,641,186,028	1,715,666,046

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of financial position (continued) : As at 31 December 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	17	11,730,226	26,325,436	-	2,033,654
Accounts payable - trust receipts and packing credits		111,126,671	171,834,164	111,126,671	170,034,164
Trade and other payables	6,18	184,614,183	181,089,889	171,733,798	167,135,034
Current portion of liabilities under long-term lease agreements	19	612,984	2,685,427	-	1,893,252
Income tax payable		3,512,131	11,423,239	3,496,082	11,407,853
Other current liabilities		4,073,475	5,818,243	3,322,746	4,904,226
Total current liabilities		315,669,670	399,176,398	289,679,297	357,408,183
Non-current liabilities					
Liabilities under long-term lease agreements, net of current portion	19	-	2,430,003	-	1,818,784
Provision for long-term employee benefits	20	21,429,853	19,369,067	17,080,628	15,625,282
Total non-current liabilities		21,429,853	21,799,070	17,080,628	17,444,066
Total liabilities		337,099,523	420,975,468	306,759,925	374,852,249

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of financial position (continued) : As at 31 December 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital					
Registered					
568,451,520 ordinary shares of Baht 1 each		568,451,520	568,451,520	568,451,520	568,451,520
Issued and fully paid up					
446,994,587 ordinary shares of Baht 1 each					
(2013 : 436,173,033 ordinary shares of Baht 1 each)	21	446,994,587	436,173,033	446,994,587	436,173,033
Share premium - ordinary shares	21	315,040,361	298,808,030	315,040,361	298,808,030
Capital reserve for share-based payment transactions		41,479,200	41,479,200	41,479,200	41,479,200
Retained earnings					
Appropriated - statutory reserve	23	56,845,152	56,845,152	56,845,152	56,845,152
Unappropriated		468,185,778	507,201,828	473,500,522	506,793,104
Other components of shareholders' equity		(256,363)	715,278	566,281	715,278
Equity attributable to owners of the Company		1,328,288,715	1,341,222,521	1,334,426,103	1,340,813,797
Non-controlling interests of the subsidiaries		868,041	233,529	-	-
Total shareholders' equity		1,329,156,756	1,341,456,050	1,334,426,103	1,340,813,797
Total liabilities and shareholders' equity		1,666,256,279	1,762,431,518	1,641,186,028	1,715,666,046

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of comprehensive income : For the year ended 31 December 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss :					
Revenues					
Sales		2,134,458,658	2,522,710,163	1,888,942,687	2,296,874,242
Services income		-	142,754	-	-
Other income		21,167,153	28,089,871	25,614,376	33,797,215
Total revenues		2,155,625,811	2,550,942,788	1,914,557,063	2,330,671,457
Expenses					
Cost of sales		1,928,335,053	2,201,564,591	1,704,567,287	1,983,270,434
Cost of services		-	269,014	-	-
Selling expenses		62,179,251	86,918,496	55,732,528	79,263,591
Administrative expenses		170,008,895	173,493,498	154,569,291	154,711,535
Exchange loss		-	17,329,479	-	16,981,948
Loss on impairment of investments	12	-	-	-	16,200,000
Total expenses		2,160,523,199	2,479,575,078	1,914,869,106	2,250,427,508
Profit (loss) before finance cost and income tax expenses		(4,897,388)	71,367,710	(312,043)	80,243,949
Finance cost		(5,094,301)	(8,163,069)	(3,768,772)	(6,495,972)
Profit (loss) before income tax expenses		(9,991,689)	63,204,641	(4,080,815)	73,747,977
Income tax expenses	25	(861,245)	(20,635,903)	(860,519)	(18,700,692)
Profit (loss) for the year		(10,852,934)	42,568,738	(4,941,334)	55,047,285
Other comprehensive income :					
Gain (loss) on changes in value of available-for-sale investments, net of income tax		(148,997)	207,037	(148,997)	207,037
Other comprehensive income for the year		(148,997)	207,037	(148,997)	207,037
Total comprehensive income for the year		(11,001,931)	42,775,775	(5,090,331)	55,254,322

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of comprehensive income (continued) : For the year ended 31 December 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit (loss) attributable to :					
Equity holders of the Company		(10,664,802)	43,610,095	(4,941,334)	55,047,285
Non-controlling interests of the subsidiaries		(188,132)	(1,041,357)		
		(10,852,934)	42,568,738		
Total comprehensive income attributable to :					
Equity holders of the Company		(10,813,799)	43,817,132	(5,090,331)	55,254,322
Non-controlling interests of the subsidiaries		(188,132)	(1,041,357)		
		(11,001,931)	42,775,775		
Earnings per share	27		-		-
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.02)	0.10	(0.01)	0.13
Diluted earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.02)	0.09	(0.01)	0.12

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity : For the year ended 31 December 2014

(Unit : Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
						Other components of shareholders' equity					
						Other comprehensive income					
	Issued and fully paid-up share capital	Share premium - ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Surplus on changes in value of available-for-sale investments	Deficit on changes in the ownership interests in a subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Appropriated				Unappropriated							
Balance as at 1 January 2013	424,988,343	282,030,995	31,199,175	56,536,364	538,497,693	508,241	-	508,241	1,333,760,811	1,274,886	1,335,035,697
Profit (loss) for the year	-	-	-	-	43,610,095	-	-	-	43,610,095	(1,041,357)	42,568,738
Other comprehensive income for the year	-	-	-	-	-	207,037	-	207,037	207,037	-	207,037
Total comprehensive income for the year	-	-	-	-	43,610,095	207,037	-	207,037	43,817,132	(1,041,357)	42,775,775
Capital reserve for share-based payment transactions	-	-	10,280,025	-	-	-	-	-	10,280,025	-	10,280,025
Share capital issued as a result of warrants exercise (Note 21)	11,184,690	16,777,035	-	-	-	-	-	-	27,961,725	-	27,961,725
Dividend paid (Note 30)	-	-	-	-	(74,597,172)	-	-	-	(74,597,172)	-	(74,597,172)
Transferred to statutory reserve (Note 23)	-	-	-	308,788	(308,788)	-	-	-	-	-	-
Balance as at 31 December 2013	436,173,033	298,808,030	41,479,200	56,845,152	507,201,828	715,278	-	715,278	1,341,222,521	233,529	1,341,456,050
Balance as at 1 January 2014	436,173,033	298,808,030	41,479,200	56,845,152	507,201,828	715,278	-	715,278	1,341,222,521	233,529	1,341,456,050
Loss for the year	-	-	-	-	(10,664,802)	-	-	-	(10,664,802)	(188,132)	(10,852,934)
Other comprehensive income for the year	-	-	-	-	-	(148,997)	-	(148,997)	(148,997)	-	(148,997)
Total comprehensive income for the year	-	-	-	-	(10,664,802)	(148,997)	-	(148,997)	(10,813,799)	(188,132)	(11,001,931)
Share capital issued as a result of warrants exercise (Note 21)	10,821,554	16,232,331	-	-	-	-	-	-	27,053,885	-	27,053,885
Deficit on changes in the ownership interests in a subsidiary (Note 12)	-	-	-	-	-	-	(822,644)	(822,644)	(822,644)	822,644	-
Dividend paid (Note 30)	-	-	-	-	(28,351,248)	-	-	-	(28,351,248)	-	(28,351,248)
Balance as at 31 December 2014	446,994,587	315,040,361	41,479,200	56,845,152	468,185,778	566,281	(822,644)	(256,363)	1,328,288,715	868,041	1,329,156,756

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued) : For the year ended 31 December 2014

(Unit : Baht)

	Separate financial statements							
	Issued and fully paid-up share capital	Share premium - ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
						Other comprehensive income	Total other components of shareholders' equity	
				Appropriated	Unappropriated			
Balance as at 1 January 2013	424,988,343	282,030,995	31,199,175	56,536,364	526,651,779	508,241	508,241	1,321,914,897
Profit for the year	-	-	-	-	55,047,285	-	-	55,047,285
Other comprehensive income for the year	-	-	-	-	-	207,037	207,037	207,037
Total comprehensive income for the year	-	-	-	-	55,047,285	207,037	207,037	55,254,322
Capital reserve for share-based payment transactions	-	-	10,280,025	-	-	-	-	10,280,025
Share capital issued as a result of warrants exercise (Note 21)	11,184,690	16,777,035	-	-	-	-	-	27,961,725
Dividend paid (Note 30)	-	-	-	-	(74,597,172)	-	-	(74,597,172)
Transferred to statutory reserve (Note 23)	-	-	-	308,788	(308,788)	-	-	-
Balance as at 31 December 2013	436,173,033	298,808,030	41,479,200	56,845,152	506,793,104	715,278	715,278	1,340,813,797
Balance as at 1 January 2014	436,173,033	298,808,030	41,479,200	56,845,152	506,793,104	715,278	715,278	1,340,813,797
Loss for the year	-	-	-	-	(4,941,334)	-	-	(4,941,334)
Other comprehensive income for the year	-	-	-	-	-	(148,997)	(148,997)	(148,997)
Total comprehensive income for the year	-	-	-	-	(4,941,334)	(148,997)	(148,997)	(5,090,331)
Share capital issued as a result of warrants exercise (Note 21)	10,821,554	16,232,331	-	-	-	-	-	27,053,885
Dividend paid (Note 30)	-	-	-	-	(28,351,248)	-	-	(28,351,248)
Balance as at 31 December 2014	446,994,587	315,040,361	41,479,200	56,845,152	473,500,522	566,281	566,281	1,334,426,103

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Cash flows statement : For the year ended 31 December 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit (loss) before tax	(9,991,689)	63,204,641	(4,080,815)	73,747,977
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities :				
Depreciation and amortisation	90,643,624	76,709,942	83,694,505	68,982,073
Bad debts	1,628,579	8,470,285	1,628,579	4,378,031
Allowance for doubtful accounts (reversal)	6,490,396	(7,667,681)	6,490,396	(4,202,252)
Reduce cost of inventories to net realisable value	6,129,517	1,375,549	6,661,760	2,725,921
Write off on inventories	547,109	-	547,109	-
Unrealised gain on valuation of trading securities	(8,815)	(12,873)	(8,815)	(12,873)
Gain on sales of trading securities	(16,331)	-	(16,331)	-
Gain on sales of available-for-sale securities	(2,934,692)	(5,796,554)	(2,934,692)	(5,796,554)
Gain on sale of investment property	(100,000)	-	(100,000)	-
Reversal of impairment for investment property	-	(89,300)	-	(89,300)
Write off on plant and equipment	3,565,431	-	3,565,431	-
Loss (gain) on sales of equipment	503,762	(425,721)	1,130,858	(425,482)
Allowance for impairment loss on intangible asset	494,321	-	494,321	-
Loss on impairment of investments in subsidiary	-	-	-	16,200,000
Share-based payment transactions	-	10,280,025	-	10,280,025
Provision for long-term employee benefits	5,576,099	3,090,215	4,970,659	3,558,400
Unrealised on exchange loss	865,936	6,767,606	842,567	6,562,958
Interest expenses	3,277,023	5,802,972	1,875,877	4,135,875
Profit from operating activities before changes in operating assets and liabilities	106,670,270	161,709,106	104,761,409	180,044,799
Operating assets (increase) decrease				
Trade and other receivables/long-term receivables	1,394,400	74,347,307	(908,951)	67,521,370
Inventories	(9,485,586)	100,235,625	(9,140,003)	89,994,090
Other current assets	5,650,020	8,634,648	6,308,799	6,330,635
Other non-current assets	(348,325)	9,317	(80,325)	(22,000)
Operating liabilities increase (decrease)				
Trade and other payables	(4,467,068)	(59,888,586)	(3,408,553)	(60,330,149)
Other current liabilities	(1,894,813)	(1,450)	(1,731,525)	(310,237)
Other non-current liabilities	(3,515,313)	(3,559,120)	(3,515,313)	(3,559,120)
Cash flows from operating activities	94,003,585	281,486,847	92,285,538	279,669,388
Cash paid for interest expenses	(3,423,369)	(5,155,367)	(2,006,268)	(3,728,730)
Cash paid for income tax	(11,737,207)	(35,462,140)	(11,708,940)	(35,457,387)
Net cash flows from operating activities	78,843,009	240,869,340	78,570,330	240,483,271

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Cash flows statement (continued) : For the year ended 31 December 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Decrease (increase) in restricted bank deposit	(40,338)	1,812,550	(40,338)	1,812,550
Purchases of current investments - trading securities	(40,332,400)	-	(40,332,400)	-
Cash receipt from sales of trading securities	40,000,000	-	40,000,000	-
Purchases of current investments - available-for-sale securities	(389,001,000)	(472,835,694)	(389,001,000)	(472,835,694)
Cash receipt from sales of available-for-sale securities	419,000,000	607,000,000	419,000,000	607,000,000
Purchases of other current investments	(60,000,000)	(130,000,000)	(60,000,000)	(130,000,000)
Cash receipt from sales of other current investments	-	130,000,000	-	130,000,000
Cash received (paid) from purchases of subsidiary	-	70,371	-	(2,999,980)
Increase in investments in subsidiary (Note 12)	-	-	(38,000,000)	-
Increase in short-term loans to related party	-	-	(10,000,000)	(10,000,000)
Cash receipt from repayment of short-term loans to related party	-	-	35,000,000	-
Proceed from sale of investment property	600,000	-	600,000	-
Increase in advance for machinery	-	(25,567,737)	-	(25,567,737)
Acquisition of property, plant and equipment	(175,359,251)	(183,769,029)	(174,867,328)	(181,913,212)
Proceed from sales of equipment	3,013,641	765,460	2,386,538	738,056
Acquisition of intangible assets	(1,722,676)	(2,259,429)	(1,722,676)	(2,259,429)
Net cash flows used in investing activities	(203,842,024)	(74,783,508)	(216,977,204)	(86,025,446)
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	(14,595,210)	(18,787,427)	(2,033,654)	(17,394,752)
Decrease in trust receipts and packing credits	(61,551,238)	(33,093,924)	(59,751,238)	(28,320,487)
Repayment of liabilities under long-term lease agreements	(4,502,446)	(6,678,416)	(3,712,036)	(3,947,432)
Cash receipt from capital increase as a result of warrants exercise	27,053,885	27,961,725	27,053,885	27,961,725
Dividend paid	(28,351,248)	(74,597,172)	(28,351,248)	(74,597,172)
Net cash flows used in financing activities	(81,946,257)	(105,195,214)	(66,794,291)	(96,298,118)
Net increase (decrease) in cash and cash equivalents	(206,945,272)	60,890,618	(205,201,165)	58,159,707
Cash and cash equivalents at beginning of year	235,186,473	174,295,855	228,944,925	170,785,218
Cash and cash equivalents at end of year	28,241,201	235,186,473	23,743,760	228,944,925

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Cash flows statement (continued) : For the year ended 31 December 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Supplemental cash flows information				
Non-cash related transactions				
Acquisition of equipment for which paid in advance	25,567,737	31,775,989	25,567,737	31,284,421
Acquisition of equipment that have not yet been paid	8,108,795	23,867,752	8,108,795	23,867,752
Assets acquired under long-term lease agreements	-	4,207,477	-	3,000,000

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

1. General information

Thai Luxe Enterprises Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of feeds for aquatic animals. The registered office of the Company is at 69/5 Moo 5 Rama 2 Road (Km. 71) Tambol Bangkhantaek, Amphur Muang, Samutsongkhram

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Thai Luxe Enterprises Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) :

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014 Percent	2013 Percent
Thai Luxe Food Products Co., Ltd. (Formerly known as SMP Food Products Co., Ltd.)	Manufacturing and distributing of frozen food	Thailand	98	96
Thai Demeter Co., Ltd.	Distribution of raw material for animal feed	Thailand	100	100

b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

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

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

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

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

A. Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards :

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards :

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations :

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations :

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

B. Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below :

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiaries believes that this standard will not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

- **Sales of goods**

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

- **Rendering of services**

Service revenue is recognised when services have been rendered taking into account the stage of completion.

- **Rental income**

Rental income are recognised as revenue at the amounts as stipulated in the agreements on an accrual basis.

- **Interest income**

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

- **Dividends**

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

4.2 Cash and cash equivalents

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.

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, packing materials, supplies and spare parts are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- e) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rate of government bond adjusted by an appropriate risk factor. The fair value of unit trusts is determined from their net asset value.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

4.6 Investment properties

The Company presented its land not being used in operation, land and building rented to a subsidiary company as investment properties. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation charges of building investment property are valued with reference to its costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment property is included in determining income.

No depreciation is provided for land investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

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

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

	The Company	Subsidiary
Buildings and building improvement	5, 10, 20 years	5, 20 years
Machinery and equipment	5, 10 years	5 years
Furniture and office equipment	5 years	3, 5 years
Motor vehicles	5 years	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

4.8 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

The intangible assets with finite useful lives are computer software and patent with useful lives of 10 years and 8 years, respectively.

4.9 Related party transactions

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

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

4.10 Long-term leases

Leases of vehicles which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

- **Defined contribution plans**

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

- **Defined benefit plans and other long-term employee benefits**

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

4.14 Provisions

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

4.15 Equity-settled share-based payment transactions

The Company recognise the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the vesting period of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

4.16 Income tax

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

- **Current tax**

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

• *Deferred tax*

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

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise 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 utilised.

At each reporting date, the Company and its subsidiaries 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 utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from estimates. Significant judgements and estimates are as follows :

Leases

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

Allowance for doubtful accounts

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

Impairment of equity investments

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

Property plant and equipment/Depreciation

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

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

Deferred tax assets

Deferred tax assets are recognised 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 utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

Equity-settled share-based payment transactions

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of raw materials	-	-	15	8	Market prices
Rental income	-	-	4	5	Contract prices
Interest income	-	-	2	1	6 percent per annum
Other income	-	-	1	-	Contract prices
Purchases of fixed assets	-	-	1	-	Market prices
Other expenses	-	-	1	-	Contract prices

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

As at 31 December 2014 and 2013, the balances of the accounts between the Company and its subsidiaries are as follows :

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	186	235
Total trade and other receivables - related parties	-	-	186	235
Trade and other payables - related party (Note 18)				
Subsidiary	-	-	66	32
Total trade and other payables - related party	-	-	66	32

Short-term loans to related party

As at 31 December 2014, the balance of loans between the Company and a subsidiary and the movement are as follows :

(Unit : Thousand Baht)

Loans to related party	Related by	Separate financial statements			
		Balance as at 1 January 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2014
Thai Luxe Food Product Co., Ltd. (Formerly known as SMP Food Products Co., Ltd.)	Subsidiary	25,000	10,000	(35,000)	-
Total		25,000	10,000	(35,000)	-

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	14	15	13	14
Post-employment benefits	1	1	1	1
Share-based payment	-	2	-	2
Total	15	18	14	17

7. Cash and cash equivalents

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	628	727	583	679
Bank deposits	27,613	134,226	23,161	128,033
Bills of exchange	-	100,233	-	100,233
Total	28,241	235,186	23,744	228,945

As at 31 December 2014, bank deposits in saving accounts carried interests between 0.1 and 0.5 percent per annum (2013: between 0.1 and 3.2 percent per annum).

8. Current investments

(Unit : Thousand Baht)

	Consolidated/ Separate financial statements	
	2014	2013
Investments in trading securities - fair value	1,001	643
Investments in available-for-sale securities, cost	130,729	157,793
Add: Gain on changes in value of investments	708	894
Investments in available-for-sale securities, fair value	131,437	158,687
Others	60,000	-
Total	192,438	159,330

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

As at 31 December 2014, other current investments are negotiable certificate of deposits and bank deposits in fixed accounts carrying interests between 2.8 and 3.1 percent per annum.

During the year 2014, the Company sold available-for-sale securities with book values totaling Baht 458 million and recognised gains (after tax) on the sales amounting to Baht 2 million in profit or loss. This amount included gains transferred from gain on valuation of available-for-sale securities in other comprehensive income, amounting to Baht 0.7 million (after tax).

During the year 2013, the Company sold available-for-sale securities with book values totaling Baht 601 million and recognised gains (after tax) on the sales amounting to Baht 5 million in profit or loss. This amount included gains transferred from gain on valuation of available-for-sale securities in other comprehensive income, amounting to Baht 0.5 million (after tax).

9. Trade and other receivables/long-term receivables

9.1 Trade and other receivables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables - related party				
Aged on the basis of due dates				
Not yet due	-	-	130	45
Total trade receivables - related parties	-	-	130	45
Trade receivables - unrelated party				
Aged on the basis of due dates				
Not yet due	109,721	93,633	101,363	77,623
Past due				
Up to 3 months	44,910	54,093	33,368	47,866
3 - 6 months	5,729	784	5,729	784
6 - 12 months	2,632	3,448	2,627	3,448
Over 12 months	1,765	698	1,751	698
Total	164,757	152,656	144,838	130,419
Less: Allowance for doubtful debts	(7,242)	(4,538)	(7,242)	(4,538)
Total trade receivables - unrelated parties, net	157,515	148,118	137,596	125,881
Total trade receivables - net	157,515	148,118	137,726	125,926
Other receivables				
Amounts due from related party	-	-	56	64
Amounts due from unrelated parties	26	10,024	-	10,000
Interest receivable - related parties	-	-	-	126
Interest receivable - unrelated party	158	557	158	557
Total other receivables	184	10,581	214	10,747
Total trade and other receivables - net	157,699	158,699	137,940	136,673

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

9.2 Long-term receivables

These represent the balance of long outstanding debts due from various trade debtors against whom the Company has taken legal actions. As at 31 December 2014, the Company has set up an allowance for doubtful accounts amounting Baht 57 million (2013: Baht 54 million) in its accounts by taking into consideration the auction price and the value of the related collaterals.

10. Inventories

(Unit : Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	47,829	54,359	(580)	(927)	47,249	53,432
Work in process	-	14,479	-	-	-	14,479
Raw materials	178,275	191,333	(2,725)	(525)	175,550	190,808
Raw materials in transit	60,773	15,889	-	-	60,773	15,889
Packing materials and supplies	21,201	22,505	(6,733)	(3,252)	14,468	19,253
Spare parts	30,409	30,983	(6,572)	(5,776)	23,837	25,207
Total	338,487	329,548	(16,610)	(10,480)	321,877	319,068

(Unit : Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	38,831	48,172	-	-	38,831	48,172
Work in process	-	14,329	-	-	-	14,329
Raw materials	174,398	185,671	(2,458)	-	171,940	185,671
Raw materials in transit	60,773	15,889	-	-	60,773	15,889
Packing materials and supplies	17,920	18,965	(6,398)	(2,990)	11,522	15,975
Spare parts	30,212	30,516	(6,571)	(5,776)	23,641	24,740
Total	322,134	313,542	(15,427)	(8,766)	306,707	304,776

During the current year, the Company reduced cost of inventories by Baht 7 million (2013: Baht 3 million), to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiary reversed the write-down of cost of inventories by Baht 1 million (2013: Baht 2 million), and reduced the amount of inventories recognised as expenses during the year.

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to guaranteed electricity use.

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

12. Investments in subsidiaries

(Unit : Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
	2014	2013	2014 (%)	2013 (%)	2014	2013	2014	2013	2014	2013
Thai Luxe Food Products Co.,Ltd. (Formerly known as SMP Food Products Co.,Ltd.)	100,000	62,000	97.8	96.4	70,311	32,311	(25,929)	(25,929)	44,382	6,382
Thai Demeter Co.,Ltd.	3,000	3,000	100.0	100.0	3,000	3,000	-	-	3,000	3,000
Total					73,311	35,311	(25,929)	(25,929)	47,382	9,382

- a) No dividend was received from the subsidiary companies for the years 2014 and 2013.
- b) In year 2013, the Company recognised provision for impairment of investment in Thai Luxe Food Products Co.,Ltd. (Formerly known as SMP Food Products Co., Ltd.) amounting to Baht 16 million.
- c) On 19 February 2013, the Meeting of the Company's Board of Directors passed a resolution to invest in Vietnam by establishing a subsidiary, named Thai Luxe Vina Company Limited, with a registered capital of approximately Baht 10 million (USD 0.3 million), 100% owned by the Company, to distribute animal feed. The subsidiary was successfully established on 5 June 2014. However, as at 31 December 2014, the subsidiary company has not yet called up share capital.
- d) On 13 September 2014, the Extraordinary General Meeting of the shareholders no. 1/2014 of Thai Luxe Food Products Co., Ltd. (Formerly known as SMP Food Products Co., Ltd.), one of the subsidiaries, approved an increase in its registered capital of Baht 62 million (6,200,000 ordinary shares with a par value of Baht 10 each) to Baht 100 million (10,000,000 ordinary shares with a par value of Baht 10 each), through the issuance of 3,800,000 new ordinary shares with a par value of Baht 10 each, amounting to Baht 38 million. This subsidiary registered the capital increase with the Commerce Ministry on 11 December 2014 and called up 100% of the value of the additional shares.

Minority shareholder of Thai Luxe Food Products Co., Ltd. (Formerly known as SMP Food Products Co., Ltd.) wished to waive their rights to subscribe to the newly issued shares of the subsidiary. The Company therefore exercised total right to subscribe to 3,800,000 newly issued shares, totaling Baht 38 million. As a result, the Company held a total of 9,778,571 shares with its shareholding in this subsidiary increasing from 96.4% to 97.8%. The Company recognised the differences of Baht 1 million between the cost and book value of its interest in this subsidiary under the caption of "Deficit on changes in the ownership interests in a subsidiary" in shareholders' equity.

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

13. Other long-term investments

(Unit : Thousand Baht)

	Consolidated/Separate financial statements	
	2014	2013
Investments in held-to-maturity debt securities*	8,000	8,000
Other investment	5,000	5,000
Less: Provision for impairment of investment	(1,550)	(1,550)
Other investment - net	3,450	3,450
Total	11,450	11,450

*As at 31 December 2014, the Company guaranteed its electricity use with Bank of Thailand bonds amounting to Baht 6 million (2013: Baht 6 million).

14. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 are presented below.

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land not being used in operation	Office building for rent	Total	Land not being used in operation/land for rent	Office building for rent	Total
31 December 2014						
Cost	3,917	-	3,917	10,928	38,417	49,345
Less Accumulated depreciation	-	-	-	-	(35,628)	(35,628)
Less Allowance for diminution in value	(552)	-	(552)	(552)	-	(552)
Net book value	3,365	-	3,365	10,376	2,789	13,165
31 December 2013						
Cost	4,417	-	4,417	11,428	38,417	49,845
Less Accumulated depreciation	-	-	-	-	(33,707)	(33,707)
Less Allowance for diminution in value	(552)	-	(552)	(552)	-	(552)
Net book value	3,865	-	3,865	10,876	4,710	15,586

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

The reconciliations of the net book value of investment properties for the years 2014 and 2013 are presented below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	3,865	3,775	15,586	17,417
Disposals - net book value	(500)	-	(500)	-
Reversal of impairment	-	90	-	90
Depreciation charged	-	-	(1,921)	(1,921)
Net book value at end of year	3,365	3,865	13,165	15,586

The fair value of the investment properties as at 31 December 2014 and 2013 stated below :

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Land not being used in operation/ land for rent	13,671	14,216	39,961	40,506
Office building for rent	-	-	46,200	46,200

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land not being used in operation has been determined based on market prices, while that of the land and office building for rent have been determined using the cost approach.

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

15. Property, plant and equipment

(Unit : Thousand Baht)

	Consolidated financial statements						
	Land and improvement	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Cost :							
1 January 2013	109,148	364,321	746,537	45,838	63,252	108,083	1,437,179
Additions	13	591	8,465	3,700	4,700	226,151	243,620
Equipment of subsidiary acquired during the year at acquisition date	-	-	-	62	-	-	62
Disposals	-	(82)	(1,048)	(977)	(2,100)	-	(4,207)
Transfers	885	29,236	22,994	572	-	(53,687)	-
31 December 2013	110,046	394,066	776,948	49,195	65,852	280,547	1,676,654
Additions	1,149	11,516	7,212	3,211	-	185,947	209,035
Disposals/write-off	-	(10,527)	(3,873)	(880)	(12,656)	-	(27,936)
Transfers	7,450	191,658	19,253	3,973	-	(222,334)	-
31 December 2014	118,645	586,713	799,540	55,499	53,196	244,160	1,857,753

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

(Unit : Thousand Baht)

	Consolidated financial statements						
	Land and improvement	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Accumulated depreciation :							
1 January 2013	-	222,869	498,543	35,445	46,832	-	803,689
Accumulated depreciation from equipment of subsidiary acquired during the year at acquisition date	-	-	-	18	-	-	18
Depreciation for the year	-	16,932	48,486	3,952	6,749	-	76,119
Depreciation on disposals	-	(56)	(981)	(972)	(1,836)	-	(3,845)
31 December 2013	-	239,745	546,048	38,443	51,745	-	875,981
Depreciation for the year	-	25,953	52,085	4,738	6,261	-	89,037
Depreciation on disposals/write-off	-	(4,773)	(2,544)	(880)	(12,656)	-	(20,853)
31 December 2014	-	260,925	595,589	42,301	45,350	-	944,165
Allowance for impairment loss :							
31 December 2013	209	2,300	1,758	-	-	-	4,267
31 December 2014	209	2,300	1,758	-	-	-	4,267
Net book value :							
31 December 2013	109,837	152,021	229,142	10,752	14,107	280,547	796,406
31 December 2014	118,436	323,488	202,193	13,198	7,846	244,160	909,321

Depreciation for the year

2013 (Baht 57 million included in manufacturing cost, and the balance in administrative expenses)

76,119

2014 (Baht 56 million included in manufacturing cost, and the balance in administrative expenses)

89,037

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

(Unit : Thousand Baht)

	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Cost :							
1 January 2013	102,137	314,127	691,790	38,919	54,448	107,577	1,308,998
Additions	13	194	7,586	3,120	3,000	226,152	240,065
Disposals	-	(37)	(329)	(835)	(2,100)	-	(3,301)
Transfers	885	28,822	22,994	572	-	(53,273)	-
31 December 2013	103,035	343,106	722,041	41,776	55,348	280,456	1,545,762
Additions	1,149	11,494	6,179	2,773	1,100	185,849	208,544
Disposals/write-off	-	(10,528)	(3,872)	(840)	(6,375)	-	(21,615)
Transfers	7,450	191,559	19,253	3,973	-	(222,235)	-
31 December 2014	111,634	535,631	743,601	47,682	50,073	244,070	1,732,691
Accumulated depreciation :							
1 January 2013	-	184,934	469,215	30,452	41,213	-	725,814
Depreciation for the year	-	13,952	44,133	3,140	5,245	-	66,470
Depreciation on disposals	-	(34)	(284)	(835)	(1,836)	-	(2,989)
31 December 2013	-	198,852	513,064	32,757	44,622	-	789,295
Depreciation for the year	-	22,922	48,258	3,932	5,056	-	80,168
Depreciation on disposals/write-off	-	(4,773)	(2,544)	(840)	(6,375)	-	(14,532)
31 December 2014	-	217,001	558,778	35,849	43,303	-	854,931

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

(Unit : Thousand Baht)

	Separate financial statements						
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Allowance for impairment loss :							
31 December 2013	209	2,300	1,758	-	-	-	4,267
31 December 2014	209	2,300	1,758	-	-	-	4,267
Net book value :							
31 December 2013	102,826	141,954	207,219	9,019	10,726	280,456	752,200
31 December 2014	111,425	316,330	183,065	11,833	6,770	244,070	873,493

Depreciation for the year

2013 (Baht 51 million included in manufacturing cost, and the balance in administrative expenses)	66,470
2014 (Baht 51 million included in manufacturing cost, and the balance in administrative expenses)	80,168

As at 31 December 2014, the Company and its subsidiary had motor vehicles with net book values of Baht 2 million (2013 : Baht 8 million), which were acquired under financial lease agreements (The Company only: Nil, 2013: Baht 6 million).

As at 31 December 2014, certain items of buildings and equipment of the Company and its subsidiary were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 452 million (2013: Baht 409 million) (The Company only: Baht 426 million, 2013 : Baht 374 million).

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

16. Intangible assets

The net book value of intangible assets as at 31 December 2014 and 2013 are presented below.

(Unit : Thousand Baht)

	Consolidated/Separate financial statements							
	2014				2013			
	Computer software	Computer software under development	Patent	Total	Computer software	Computer software under development	Patent	Total
Cost	15,513	-	470	15,983	5,872	7,918	470	14,260
Less Accumulated amortisation	(5,737)	-	(70)	(5,807)	(4,190)	-	(11)	(4,201)
Less Allowance for impairment	(494)	-	-	(494)	-	-	-	-
Net book value	9,282	-	400	9,682	1,682	7,918	459	10,059

The reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

(Unit : Thousand Baht)

	Consolidated/ Separate financial statements	
	2014	2013
Net book value at beginning of year	10,059	8,391
Acquisition	1,723	2,259
Amortisation	(1,606)	(591)
Impairment loss	(494)	-
Net book value at end of year	9,682	10,059

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

17. Bank overdrafts and short-term loans from financial institutions

(Unit : Thousand Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Bank overdrafts	MOR	2,730	11,325	-	2,034
Short-term loans from financial institutions	4.9 - 5.0	9,000	15,000	-	-
Total		11,730	26,325	-	2,034

18. Trade and other payables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - unrelated parties	148,152	118,340	138,899	107,980
Other payables - related party	-	-	66	32
Other payables - unrelated parties	5,129	8,607	4,661	8,425
Other payables for purchases of machinery	8,109	23,868	8,109	23,868
Accrued expenses	23,224	30,275	19,999	26,830
Total trade and other payables	184,614	181,090	171,734	167,135

19. Liabilities under long-term lease agreements

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Liabilities under long-term lease agreements	643	5,826	-	4,309
Less: Deferred interest expenses	(30)	(711)	-	(597)
Total	613	5,115	-	3,712
Less : Portion due within one year	(613)	(2,685)	-	(1,893)
Liabilities under long-term lease agreements - net of current portion	-	2,430	-	1,819

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

The Company and its subsidiaries have entered into the long-term lease agreements with leasing companies for rental of motor vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years. Long-term lease agreements are non-cancelable.

Future minimum lease payments required under the long-term lease agreements were as follows:

(Unit : Million Baht)

	Consolidated financial statements					
	Less than 1 year		1 - 4 years		Total	
	2014	2013	2014	2013	2014	2013
Future minimum lease payments	1	3	-	3	1	6
Deferred interest expenses	-	-	-	(1)	-	(1)
Present value of future minimum lease payments	1	3	-	2	1	5

(Unit : Million Baht)

	Separate financial statements					
	Less than 1 year		1 - 4 years		Total	
	2014	2013	2014	2013	2014	2013
Future minimum lease payments	-	1	-	3	-	4
Deferred interest expenses	-	-	-	(1)	-	(1)
Present value of future minimum lease payments	-	1	-	2	-	3

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and subsidiary and other long-term employee benefit plan, namely long service awards, were as follows :

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	19,369	19,838	15,625	15,626
Current service cost	1,895	1,653	1,431	1,125
Interest cost	791	662	650	496
Benefits paid during the year	(3,515)	(3,559)	(3,515)	(3,559)
Actuarial loss	1,680	775	1,680	1,937
Past service costs	1,210	-	1,210	-
Defined benefit obligation at end of year	21,430	19,369	17,081	15,625

Long-term employee benefit expenses included in the profit or loss consist of the following :

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	1,895	1,653	1,431	1,125
Interest cost	791	662	650	496
Actuarial loss recognised during the year	1,680	775	1,680	1,937
Past service costs recognised during the year	1,210	-	1,210	-
Total expense recognised in profit or loss	5,576	3,090	4,971	3,558
Line items in profit or loss under which such expenses are included				
Cost of sales	2,026	835	1,904	1,218
Selling and administrative expenses	3,550	2,255	3,067	2,340

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.0, 4.2	4.2	3.0	4.2
Future salary increase rate	3.0, 5.0	3.0, 5.0	5.0	5.0
Employee turnover rate (depending on age of employees)	5.0 - 40.0	5.0 - 40.0	5.0 - 40.0	5.0 - 40.0

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows :

(Unit : Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	21,430	17,081	953	953
Year 2013	19,369	15,625	(152)	573
Year 2012	19,838	15,626	-	-
Year 2011	17,818	14,260	-	-
Year 2010	12,920	12,920	-	-

21. Share capital

During the years 2013 and 2014, warrants were exercised to purchase new ordinary shares as follows :

	Consolidated/Separate financial statements		
	Increase in paid up share capital from warrants exercise	Increase in share premium - ordinary shares from warrants exercise	Date of registration of additional shares from warrants exercise with the Ministry of Commerce
	(Thousand Baht)	(Thousand Baht)	
Outstanding as at 1 January 2013	424,988	282,031	5 April 2013 4 October 2013
Exercised during March 2013	8,969	13,453	
Exercised during September 2013	2,216	3,324	
Outstanding as at 31 December 2013	436,173	298,808	6 October 2014
Exercised during September 2014	10,822	16,232	
Outstanding as at 31 December 2014	446,995	315,040	

22. Warrants

The Company has granted warrants to its existing shareholders (TLUXE-W2), and directors, management and employees (TLUXE-ESOP2), for no consideration. A summary of the warrants granted is presented below.

	TLUXE-W2	TLUXE-ESOP2
Approved by	Extraordinary General Meeting of the Shareholders No. 1/2011	Annual General Meeting of the Shareholders No. 1/2011
Date of original grant	21 February 2011	21 July 2011
No. of warrants granted (units)	169,000,000	19,000,000*
Life of warrants (years)	4	4
Exercisable	Semi-annually	Semi-annually
First exercise date	30 March 2012	30 September 2013
Final exercise date	20 February 2015	20 July 2015
Exercise price per 1 ordinary share (Baht)	2.50	2.50
Exercise ratio (warrant to ordinary share)	1:1	1:1

* On 21 July 2011, which was the date that the warrants were issued, the Company allocated 18.5 million warrants of TLUXE-ESOP2 to the directors, management and employees of the Company. The Company cancelled 0.5 million unallocated warrants at a later date.

On 15 March 2011, the Stock Exchange of Thailand accepted the listing of 168,999,014 of TLUXE-W2 as securities.

Presented below is a summary of warrants activity :

(Unit : Thousand Unit)

	TLUXE-W2	TLUXE-ESOP2
Number of warrants issued	168,999	19,000
Exercised during the years of 2012 and 2013	(53,509)	(2,213)
Write-off during the years of 2011 to 2013*	-	(3,380)
Outstanding of warrants as at 31 December 2013	115,490	13,407
Exercised during the year of 2014	(8,232)	(2,590)
Write-off during the year of 2014*	-	(830)
Outstanding of warrants as at 31 December 2014	107,258	9,987

* The Company wrote-off unallocated TLUXE-ESOP2 and TLUXE-ESOP2 of its directors, management and employees that were not eligible for the privilege because they had resigned before the warrants expired.

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

23. Statutory reserve

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

24. Expenses by nature

Significant expenses classified by nature are as follow :

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Salaries and wages and other employee benefits	154,836	173,692	108,584	126,454
Depreciation	89,037	76,119	82,089	68,391
Raw materials and consumables used	1,581,041	1,943,901	1,453,376	1,788,104
Changes in inventories of finished goods and work in process	21,009	28,347	23,670	13,979

25. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows :

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax :				
Current income tax charge	3,802	18,872	3,787	18,856
Adjustment in respect of income tax of previous year	10	(83)	10	(83)
Deferred tax :				
Relating to origination and reversal of temporary differences	(2,951)	1,847	(2,937)	(73)
Income tax expense reported in the statement of comprehensive income	861	20,636	860	18,700

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows :

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax on loss (gain) from the change in value of available-for-sale investments	37	(52)	37	(52)
	37	(52)	37	(52)

The reconciliation between accounting profit (loss) and income tax expense is shown below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit (loss) before tax	(9,992)	63,205	(4,081)	73,748
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(1,998)	12,641	(816)	14,750
Adjustment in respect of income tax of previous year	10	(83)	10	(83)
Effects of :				
Promotional privileges (Note 26)	-	(2,195)	-	(2,196)
Unused tax loss	944	6,980	-	-
Non-deductible expenses	2,336	4,075	2,032	6,938
Additional expense deductions allowed	(431)	(782)	(366)	(709)
Total	2,849	8,078	1,667	4,033
Income tax expenses reported in the statement of comprehensive income	861	20,636	860	18,700

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Notes to consolidated financial statements : For the year ended 31 December 2014

The components of deferred tax assets and deferred tax liabilities are as follows :

(Unit : Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful accounts	12,909	11,611	12,909	11,611
Allowance for diminution in value of inventories	3,322	2,096	3,086	1,753
Allowance for impairment on plant and equipment	72	156	72	156
Allowance for impairment on intangible asset	99	-	99	-
Provision for long-term employee benefits	4,286	3,874	3,416	3,125
Unused tax loss	3,338	3,338	-	-
Total	24,026	21,075	19,582	16,645
Deferred tax liabilities				
Unrealised gain from revaluation of available - for-sale securities	142	179	142	179
Total	142	179	142	179
Deferred tax assets - net	23,884	20,896	19,440	16,466

As at 31 December 2014 the subsidiary has unused tax losses totaling Baht 40 million (2013 : Baht 36 million). No deferred tax assets have been recognised on these amounts as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

26. Promotional privileges

The Company has received promotional privileges which approved by the Board of Investment for the manufacture and distribution of feeds for aquatic animals, pursuant to the investment promotion certificate No. 2091 (2)/2554 issued on 31 August 2011. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (1 June 2012). In addition, the exemption from corporate income tax must not exceed the capital investment, excluding land and working capital, a reduction of import duty on imported machinery as approved by the Board and an exemption of income tax on dividend paid to the shareholders from the profit of the promoted activities during the corporate income tax exemption period.

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

The Company's operating revenues for the years ended 31 December 2014 and 2013, divided between promoted and non-promoted operations, are summarised below.

(Unit : Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2014	2013	2014	2013	2014	2013
Sales						
Domestic sales	6,099	409,836	1,863,277	1,809,099	1,869,376	2,218,935
Export sales	-	-	19,567	77,939	19,567	77,939
Total sales	6,099	409,836	1,882,844	1,887,038	1,888,943	2,296,874

27. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Consolidated financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings per share	
	2014 (Thousand Baht)	2013 (Thousand Baht)	2014 (Thousand Shares)	2013 (Thousand Shares)	2014 (Baht)	2013 (Baht)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(10,665)	43,610	438,931	432,394	(0.02)	0.10
Effect of dilutive potential ordinary shares						
TLUXE-W2		-		27,699		
TLUXE-ESOP2		-		3,668		
Diluted earnings per share						
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares		43,610		463,761		0.09

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

	Separate financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings per share	
	2014 (Thousand Baht)	2013 (Thousand Baht)	2014 (Thousand Shares)	2013 (Thousand Shares)	2014 (Baht)	2013 (Baht)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(4,941)	55,047	438,931	432,394	(0.01)	0.13
Effect of dilutive potential ordinary shares						
TLUXE-W2		-		27,699		
TLUXE-ESOP2		-		3,668		
Diluted earnings per share						
Profit attributable to equity holders assuming the conversion of warrants to ordinary shares		55,047		463,761		0.12

There is no disclosure of diluted earnings per share in the financial statements for the year ended 31 December 2014 as the diluted earnings per share is antidilutive.

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and have two reportable segments as follows :

1. Animal feed segment
2. Manufacturing and distributing frozen food segment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit (loss) and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013, respectively.

Thai Luxe Enterprises Public Company Limited and its subsidiaries

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(Unit : Million Baht)

	Animal feed		Manufacturing and distributing frozen food		Total segments		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
External customers	1,890	2,298	244	225	2,134	2,523	-	-	2,134	2,523
Total revenues	1,890	2,298	244	225	2,134	2,523	-	-	2,134	2,523
Results										
Segment profit (loss)	(26)	64	(5)	(26)	(31)	38	5	6	(26)	44
Other income									21	28
Finance cost									(5)	(8)
Profit (loss) before income tax expenses									(10)	64
Income tax expenses									(1)	(21)
Profit (loss) for the year									(11)	43

(Unit : Million Baht)

	Animal feed		Manufacturing and distributing frozen food		Total segments		Eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Property,plant and equipment	873	752	37	44	910	796	(1)	-	909	796
Other assets	759	956	42	45	801	1,001	(44)	(35)	757	966
Segment total assets	1,632	1,708	79	89	1,711	1,797	(45)	(35)	1,666	1,762

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2014 and 2013, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

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Notes to consolidated financial statements : For the year ended 31 December 2014

29. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by American International Assurance Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company contributed Baht 2 million (2013: Baht 2 million) to the fund.

30. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2012	Annual General Meeting of the shareholders on 25 April 2013	64	0.15
Interim dividends for 2013	Board of Directors' Meeting on 14 August 2013	11	0.03
Total for 2013		75	0.18
Final dividends for 2013	Annual General Meeting of the shareholders on 25 April 2014	28	0.07
Total for 2014		28	0.07

31. Commitments and contingent liabilities

31.1 Capital Commitments

As at 31 December 2014, the Company had capital commitments of approximately Baht 5 million (2013 : USD 2 million and Baht 31 million), relating to the construction building, acquisition and installation of machinery and equipment.

31.2 Operating lease commitments

As at 31 December 2014, the Company and its subsidiaries had significant operating lease commitments of approximately Baht 2 million (2013: Baht 2 million), relating to rental building and vehicle.

31.3 Guarantees

As at 31 December 2014, there were outstanding bank guarantees of approximately Baht 3 million (2013: Baht 3 million), issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee are relating to guarantee electricity use. In addition, the Company guaranteed its electricity use with Bank of Thailand bonds as mentioned in Note 13 to the financial statements.

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, investments, trade and other receivables, loans, bank overdrafts and short-term loans from financial institutions, trust receipts and packing credits, trade and other payables and liabilities under long-term lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables, and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries are exposure to interest rate risk relates primarily to its cash at banks, investments, loans, bank overdrafts and short-term loans from financial institutions, trust receipts and packing credits and liabilities under long-term lease agreements. Most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

	Consolidated financial statements											
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	Within 1 year		1 - 4 years									
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
											(% p.a.)	(% p.a.)
Financial Assets												
Cash and cash equivalents	-	100	-	100	23	27	5	8	28	235	0.1 - 0.5	0.1 - 3.2
Current investments												
Trading securities	-	-	-	-	-	-	1	1	1	1	-	-
Available-for-sale securities	-	-	-	-	-	-	131	159	131	159	-	-
Other	60	-	-	-	-	-	-	-	60	-	2.8 - 3.1	-
Trade and other receivables	-	-	-	-	-	-	158	159	158	159	-	-
Restricted bank deposits	1	1	-	-	-	-	-	-	1	1	1.4	1.9
Other long-term investments	-	-	8	8	-	-	3	3	11	11	3.3 - 4.4	3.3 - 4.4
Long-term receivables	-	-	-	-	-	-	-	8	-	8	-	-
	61	101	8	108	23	27	298	338	390	574		
Financial liabilities												
Bank overdrafts and short-term loans from financial institutions	9	15	-	-	3	11	-	-	12	26	MOR, 5.0	MOR, 4.9 - 5.0
Trust receipts and packing credits	-	-	-	-	111	172	-	-	111	172	1.6 - 1.8	1.6 - 4.9
Trade and other payables	-	-	-	-	-	-	184	181	184	181	-	-
Liabilities under long-term lease agreements	1	3	-	2	-	-	-	-	1	5	7.2 - 8.4	5.5 - 8.4
	10	18	-	2	114	183	184	181	308	384		

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

(Unit : Million Baht)

	Separate financial statements											
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	Within 1 year		1 - 4 years									
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Financial Assets Cash and cash equivalents Current investments Trading securities Available-for-sale securities Other Trade and other receivables Short-term loans to related parties Restricted bank deposits Other long-term investments Long-term receivables											(% p.a.)	(% p.a.)
	-	100	-	100	19	21	5	8	24	229	0.1 - 0.5	0.1 - 3.2
	-	-	-	-	-	-	1	1	1	1	-	-
	-	-	-	-	-	-	131	159	131	159	-	-
	60	-	-	-	-	-	-	-	60	-	2.8 - 3.1	-
	-	-	-	-	-	-	138	137	138	137	-	-
	-	25	-	-	-	-	-	-	-	25	-	6.0
	1	1	-	-	-	-	-	-	1	1	1.4	1.9
	-	-	8	8	-	-	3	3	11	11	3.3 - 4.4	3.3 - 4.4
	-	-	-	-	-	-	-	8	-	8	-	-
	61	126	8	108	19	21	278	316	366	571		
Financial liabilities Bank overdrafts and short-term loans from financial institutions Trust receipts and packing credits Trade and other payables Liabilities under long-term lease agreements												
	-	-	-	-	-	2	-	-	-	2	MOR	MOR
	-	-	-	-	111	170	-	-	111	170	1.6 - 1.8	1.6 - 1.8
	-	-	-	-	-	-	172	167	172	167	-	-
	-	1	-	2	-	-	-	-	-	3	-	5.8 - 7.3
	-	1	-	2	111	172	172	167	283	342		

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to consolidated financial statements : For the year ended 31 December 2014

Foreign currency risk

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

The Company and its subsidiaries had the balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2014 (Million)	2013 (Million)	2014	2013
			(Baht per 1 foreign currency unit)	
US dollar	5	7	32.96	32.81
Japanese yen	-	7	0.27	0.31

The Company and its subsidiary had foreign exchange contracts outstanding are summarised below.

As at 31 December 2014

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	-	0.6	-	32.21 - 33.08	5 February 2015 - 27 May 2015

As at 31 December 2013

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	1.2	0.6	32.3 - 32.7	31.4 - 32.4	3 February 2014 - 26 June 2014

32.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary's financial instruments are short-term in nature. Loans given to and loans from others mostly bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

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

33. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 0.25:1 (2013: 0.31:1) and the Company's was 0.23:1 (2013: 0.28:1).

34. Event after the reporting period

34.1 On 5 February 2015, the Company issued a memorandum of agreement to those directors, management and employees holding TLUXE-ESOP2 warrants who have yet to exercise all of their holdings, resolving to change the exercise date of the warrants from 31 March 2015 to 20 February 2015. All warrant holders who had yet to exercise all of their warrants approved this memorandum of agreement.

34.2 In February 2015, the Company allocated amounts of 106.6 million and 9.5 million new ordinary shares to support the exercise of TLUXE-W2 warrants and TLUXE-ESOP2 warrants, respectively. The Company received additional share capital of Baht 290.1 million and as a result the Company's issued and paid-up share capital increased to Baht 563.1 million (563.1 million ordinary shares of Baht 1 each) and share premium increased to Baht 489.1 million. At present, the Company is in the process of registering the increase in its share capital.

34.3 On 25 February 2015, the Company's Board of Directors' meeting passed the following resolutions :

34.3.1 To approve a change in the par value of the ordinary shares from Baht 1.00 each (568.5 million ordinary shares of Baht 1.00 each) to Baht 0.25 each (2,273.8 million ordinary shares of Baht 0.25 each).

34.3.2 To approve a reduction of the registered share capital from Baht 568.5 million (2,273.8 million ordinary shares at a par value of Baht 0.25 each) to Baht 563.1 million (2,252.2 million ordinary shares at a par value of Baht 0.25 each) by reducing the registered share capital by the amount of Baht 5.4 million (21.6 million ordinary shares at a par value of Baht 0.25 each) that was set aside for the exercise of the TLUXE-W2 warrants, of which Baht 0.7 million remained due to unexercised warrants to purchase ordinary shares at the final exercise date, and the TLUXE-ESOP2 warrants of which Baht 4.7 million remained because employees resigned or were no longer directors, management or employees of the Company.

34.3.3 To approve the issue and offer of 1,126.1 million ordinary shares with a par value of Baht 0.25 each to the Company's existing shareholders in proportion to their shareholding (rights offering) in a ratio of 1 new ordinary share for every 2 existing ordinary shares, at a price of Baht 0.25 each.

- 34.3.4** To approve the issue and offer of 1,200 million ordinary shares with a par value of Baht 0.25 each for sale by private placement at an offering price of Baht 0.75 each.
- 34.3.5** To approve the issuance of 2,289.2 million warrants (TLUXE-W3) to be offered to the Company's existing shareholders at no cost, in a ratio of 1 warrant for every 2 existing ordinary shares and with an exercise price of Baht 0.25 per share (or Baht 1.00 per share before the Company registers the changes in par value of its ordinary shares as mentioned in Note 34.3.1).
- 34.3.6** To approve the increase of the registered share capital for the amount of Baht 1,153.8 million from Baht 563.1 million (2,252.2 million ordinary shares of a par value of Baht 0.25 each) to Baht 1,716.9 million (6,867.5 million ordinary shares of a par value of Baht 0.25 each) through the issue of 4,615.3 million new ordinary shares with a par value of Baht 0.25 each, to be allocated as follows:
- a) 1,126.1 million shares to accommodate the issue and offering of shares to the Company's existing shareholders in proportion to their shareholding (rights offering).
 - b) 1,200.0 million shares to accommodate the issue and offering of shares to investors by private placement.
 - c) 2,289.2 million new ordinary shares to accommodate the exercise of the TLUXE-W3 warrants.
- 34.3.7** To approve a resolution to propose to the Company's Annual General Meeting of Shareholders to approve the allotment of up to 4,615.3 million newly issued ordinary shares with a par value of Baht 0.25 each, as described in Notes 34.3.1 - 34.3.6.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 25 February 2015.

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