



T S FLOUR MILL PUBLIC COMPANY LIMITED

"We" are a leading wheat flour manufacturer who emphasizes on professional excellence in terms of commerce

ANNUAL REPORT 2015





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General Information

Company's name	: T S Flour Mill public Company Limited
Type of Business	: Producing and distributing wheat flour
Location and Storehouse	: 90/9 moo1 Soisiamsilo Poochaosamingphrai Road Samrongklang Phrapadaeng Samutprakarn 10130
Registration Number	: 0107553000131
Telephone	: 02-017-9999
Telefax	: 02-017-9999
E-mail Address	: info@tmill.co.th
Website	: www.tmill.co.th
Registered capital	: 399,000,000 THB (Three Hundred and Ninety Nine Million baht) Consisting of common stock 399,000,000 units. Each unit is equal 1 THB Paid-up capital, 342,000,000 units. The amount 342,000,000 THB (Three Hundred and Fourty Two Million baht)

Reference

Registrar	: Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, (The Chinese Embassy) Rachadapisek Road, Dindaeng, Bangkok 10400, Thailand Telephone : 02-009-9381 Telefax : 02-009-9476 TSD Call center: 02-009-9000 E-mail : TSDCallCenter@set.or Website: http://www.tsd.co.th
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The Representative of the Noteholders

: None

Auditor	: SAM NAK – NGAN A.M.C. Co., Ltd. By Mr. Ampol Chamnongwat Certified Public Accountant No.4663 OR Miss Prapasi Leelasupa Certified Public Accountant No.4664 OR Mr.Naris Saowalaksakul Certified Public Accountant No.5369
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Internal auditors : Dharmniti Auditing Co., Ltd.
By Mr.Saksri Ampawan
267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok, 10800.
Telephone : 0-2587-8080
Telefax : 0-2586-0301

Financial Advisor : None

Advisor or manager under the management agreement.
: None

VISION

“WE” are a leading wheat flour manufacturer who emphasizes on professional excellence in terms of commerce and product quality.

MISSION

1. Ongoing commitment to deliver the highest quality products and services to all customer groups.
2. Encourage leadership in all levels of employees and create learning organization.
3. Emphasis on benefits of shareholders in terms of continuous growth of profit rate.
4. Model of professionalism, transparency and good governance.
5. Model of business operation in accordance with the standard of morality, ethics, and social responsibility.

**Summary financial information**

	2013	2014	2015
Financial Statement			
(Million Baht)			
Total Income	1,110.0	1,097.3	1,286.8
Cost and Expenses	1,020.8	1,024.5	1,191.4
Profit before interest and Income tax.	89.2	72.8	95.4
Financial Cost	11.3	8.9	24.1
Income tax	15.8	13.4	14.4
Net profit	62.2	50.5	56.9
STATEMENTS OF FINANCIAL			
POSITIONS (Million Baht)			
Assets	936.1	1,178.2	1,800.8
Liabilities	366.7	586.4	1,007.3
shareholders' equity	569.4	591.8	793.5
Financial Ratios			
Number of Shares issued (Million Shares)	285	285	342
Book value per share (Baht)	2.00	2.08	2.32
Earning per share (Baht)	0.22	0.18	0.19
Dividend (Baht)	0.10	0.08	0.08
Dividend Payout Ratios (%)	68.75	56.47	40.10
Operating profit margin (%)	7.78	6.35	6.42
Return on Equity (%)	11.11	8.69	8.21
Return on Assets (%)	6.31	4.77	3.82
Debt to equity shareholders	0.64	0.99	1.27

Message from the Chairman of the Board




Mr. Pricha Attavipach
Chairman of the Board

TS Flour Mill Public Company Limited (Thailand) Company of Thailand. In the agribusiness and food industry (AGRO) is listed on the Market for Alternative Investment (mai), the company produces flour, which controls the quality, hygiene and safety of food products such as ISO 22000, GMP, HACCP and HALAL to provide consumers with the highest quality consumer products from wheat flour. And can be traced back. To ensure maximum.

Wheat flour is the main raw material used to produce food that is. Instant noodle soup, fresh bread, cakes, buns yourself fritter and so the growth of the industry will grow as the demand of the population is increasing or popular trends in food consumption of wheat flour increased as well. Together.

The Company is committed to continuously delivering quality products and services to customers. In addition to a focus on growing the business. To develop the market, build customer relationships. And a focus on human resource development and management within the organization together. The project supports community events to build relationships. Show social responsibility and encourage community development in many areas.

Finally, on behalf of the Board of Directors for **T S Flour Mill Public Company Limited**, thanks to the executives of the Company that can be business operations of the company in 2015. We have always made profits for shareholders because of professionalism of our management who are full of visions and experience in management, development of technology, work procedures and develop the capacity and skills of our employees and personnel in all departments continuously. We are and have always been committed to our corporate governance policy and management using good governance principles, morality and honesty to all parties as our guideline for operation.



Mr. Pricha Attavipach
Chairman of the Board

Message from the Executive Chairman

Performance in 2015 of T S Flour Mill Public Company Limited, A net profit of 56.8 million baht. Increase from 2014, amounting to 6.4 million baht, or 13 percent.

Since the year 2015, the company has expanded its production capacity from 250 tons of wheat per day. The second phase starts building the second quarter and the average annual capacity utilization of 65% on the year that is in another year, the situation in the market is very competitive. Including the price of wheat on the world market fluctuates. As a result, management has modified the policy and plan strategies. To comply with the So it can compete with its rivals in the market. The policy includes a strategy for managing prices. Select the Can be considered successful based on the results of operations.



Mr. Prapas Chutimaworaphan
Executive Chairman

As the Board of Directors would like to thank the management and all employees that is dedicated and efficacy in their work, efforts in developing the company to progressive growth. Thank you for the shareholders, customers, suppliers and business partners. Including the related parties that contributes to the support and trust in the management team. Hereby, pledging to the commitment of management with prudence, transparency and adherence to good corporate governance principles to develop the Company relentless.



Mr. Prapas Chutimaworaphan
Executive Chairman

Message from the Audit Committee



Mr.Somchai Vanavit
Chairman of Audit Committee

The Audit Committee of **T S FLOUR MILL PUBLIC COMPANY LIMITED** comprises three independent Directors. There are Mr.Somchai Vanavit, Mr.Anek Khamchum and Mr.Chaleumchai Wongwaiwit, all of whom are well accepted and have a full understanding of, and experience in, accounting or finance. Moreover, the Committee is committed to promoting the advancement of company's financial and accounting report system to meet international standards and to ensure that the Company has an appropriate, modern and efficient internal control system, internal audit system and risk management system. The Audit Committee acts and expresses opinions independently.

In 2015, the Committee held 5 meetings and attendance by its members. The Committee considered an internal quality assessment (Quality Assurance Review) conducted by the Audit Office. The Audit Committee reviewed significant information in the quarterly and annual financial statements of the Company for the year 2015. The Audit Committee reviewed

the results of the internal control system assessment which was reported by the Audit Office on both a quarterly and yearly basis. The results showed that these systems are appropriate to the Company's business operations. The Audit principle was expanded from control self assessment that was further consolidated to enable the business units to monitor and follow up work by themselves. Based on the satisfactory results of their performance appraisal, and their qualification as independent auditors, the internal auditors possess professional expertise, knowledge and experience in auditing Company's businesses therefore the Audit Committee recommended them to the Board of Directors.

In 2015, the Audit Committee reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report. The Board is confident that the internal control system and the internal audit of company represents the financial position, results of operations, and cash flows accurately.



Mr.Somchai Vanavit
Chairman of Audit Committee

The Boards of Directors



Mr. Pricha Attavipach
Chairman of the Board



Mr. Prapas Chutimaworaphan
Executive Chairman



Mr. Somchai Vanavit
Chairman of Audit Committee



Dr. Charnkrij Dejvitak
Executive Vice Chairman & Managing Director



Dr. Supasorn Chayowan
Committee



Mr. Chanachai Chutimaworaphan
Executive Director

The Boards of Directors (Continued)

Mr.Somchai Chinthummit
Committee



Mr.Chalermchai Wongwaiwit
Audit Committee



Mr.Anek Khamchum
Audit Committee



Mr.Narong Chenlapwatanakul
Executive Director



Mr.Dhanadon Sujiphinyo
Executive Director



Mr.Chalush Chinthummit
Executive Director

Nature of Business

Policy and overall business operations.

T S Flour Mill Public Company Limited importer of raw materials from the United States and Australia. To be processed into flour and sold to domestic customers. Wheat flour processed automatically by the system. (Computer Integrated Manufacturing Practices : GMP) Under the Hazard Analysis and Critical Control Points of wheat flour. (HACCP) It also takes into account food safety is important. Until the flour sacks to the Company. Confirmed the quality of ISO 22000 : 2005 (Food Safety) are also measures for traceability To achieve the utmost confidence in the quality of flour sacks. attended to Project system THS24000 : 2552 (Thailand Halal Standard) Which is regarded as a flour mill, the first in Thailand to be certified by the Center for Development and monitoring of Thailand Halal products.

Vision, Mission, Goals

T S Flour Mill Public Company Limited has the vision, mission and goals of the Company.

Vision

“WE” are a leading wheat flour manufacturer who emphasizes on professional excellence in terms of commerce and product quality

Mission

1. Ongoing commitment to deliver the highest quality products and services to all customer groups.
2. Encourage leadership in all levels of employees and create learning organization.
3. Emphasis on benefits of shareholders in terms of continuous growth of profit rate.
4. Model of professionalism, transparency and good governance.
5. Model of business operation in accordance with the standard of morality, ethics, and social responsibility.

Goals

1. The Company will carry factories forward in order to use production capacity effectively and efficiently so that the Company will have enough products support the demand of increasing consumers in the future.
2. The Company plans to broaden the customer's target to become diversity. The Company not only focuses on huge industry but also mid-sized industry in order to liquidate the cluster of huge industry business. Furthermore, the Company seeks the opportunity to expand group of customers in rural area. Since the Company mainly concentrates on Bangkok and circumference of Bangkok, the new market expansion will help the company has various channels gaining more profit to shareholders.
3. The Company has new project of developing and creating new products so as to add more value through products resulting in high profit to shareholders as well.

**History and major development**

T S Flour Mill Public Company Limited (“the Company” or “TMILL”) used to be called Thai Sugar Warehouse Limited. It was incorporated by the cooperation of sugar factories namely in the Konkaen Sugar Public Company Limited, Prachuab Industry Company Limited and Mit Kaset Industry Company Limited and registered on 3 February 1977 with the registered capital of 10 million baht. The company carried out the business of warehouse storage service for mainly brown sugar and white sugar. In April 1991, Thai Sugar Terminal Company Limited (“TSTE”) bought some shares from existing shareholders due to change in shareholding structure in TSTE companies, causing TSTE to hold 61.30 percent of the company’s registered capital and the company to become a subsidiary of TSTE.

In 2001, the Company applied for the cancellation of license to conduct warehouse business and registered the change of company’s name to Thai Sugar Inter Trade Company Limited. It leased out real estate to TSTE including bulk cargo warehouse for storing brown sugar while awaiting vessel shipment. In 2005, the Company increased its registered capital to 200 million baht and changed its name to T S Flour Mill Company Limited in order to conduct the wheat flour factory business with TSTE holding 97.13 percent of the new registered capital.

On February 15, 2007 the Company again changed the name called T S Flour Mill Company Limited and started to do wheat flour business in June 2007. On September 2007, the Company increased its registered capital by 200 million baht to 400 million baht with TSTE holding 98.82 percent of the paid-up capital. In December 2009, the executives of TSTE intended to list the Company on MAI Stock Market (“MAI”). Therefore, it changed the registered capital from 400 million baht to 200 million baht, by decreasing shares to two million shares with a par value of 100 baht each. On June 29, 2010 the Company was registered as a public limited company and changed its share par value from 100 baht to 1 baht and increased its registered capital by 85 million baht by issuing 85 newly issued ordinary shares for offering to the public. This caused the registered capital to increase to 342 million baht, out of which 342 million baht or 342 million shares is paid-up.

On October 24, 2012 The Securities and Exchange Commission, Thailand granted permission for the Company to offer an initial public offering of common stock 85 million shares to the public. Hence, the Company offered common stock to former shareholders following the ‘Pre-emptive right’ and for normal people in November 14-16, 2012. Later on, on November 21, 2012 the Company changed paid-up capital from 200 million baht to 285 million baht. On November 19, and November 21, 2012 The Securities and Exchange Commission, Thailand acknowledged shares of the Company as listed security since November 23, 2012 making all stocks start trading in stock exchange M.A.I. The company has a short name in the stock market as TMILL which categorizes as a mid-sized business.

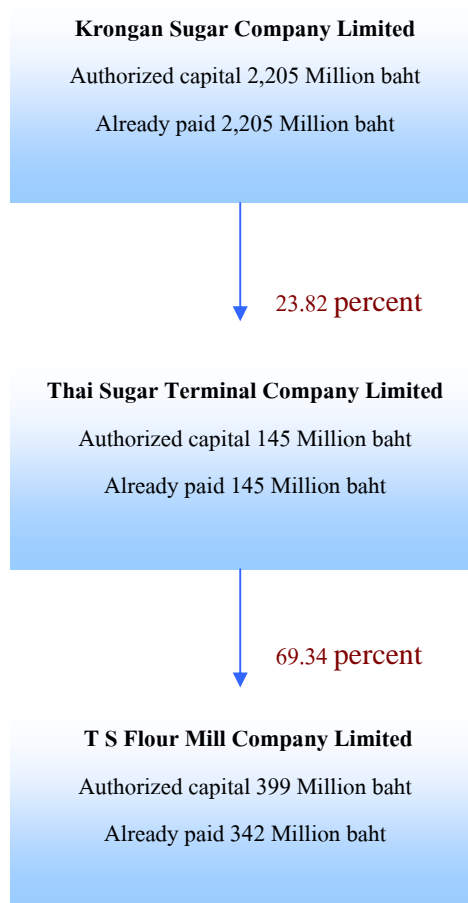
After the operation business with each factory production 250 tons of wheat per day. And have the capacity to full, the company is expanding production investment more as a 500 tons of wheat per day, since the year 2015 the increase capital again 114 million shares. Par value stock 1 baht. In accordance with the extraordinary general meeting on 27 August 2015 to sell to existing shareholders 57 million shares. The rights of the warrants TMILL - W1 the company, the registered capital is changed 399 million. And paid capital is 342 million since the day 21 October 2015.

#



The structure of the Company

On January 4, 2016 The Company has basic structure as followed:



Business lines and Product Segmentations

Income's Structure

Type of income	2013		2014		2015	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Wheat Flour	981.5	88.4	965.2	88.0	1,116.6	86.8
Wheat Bran	121.9	11.0	127.8	11.7	156.4	12.1
Rice Germ and Wheat	3.5	0.3	0.9	0.1	0.1	0.0
Others Income*	3.1	0.3	3.3	0.3	13.7	1.1
Total Income	1,110.0	100.0	1,097.3	100.0	1,286.8	100.0

Remarks : *Other income consists of profit (deficit) from exchange rate, money from finished work earlier (from a vessel takes before the due date), interest, income from selling bad rice, and rice bran.

Type of products and services

The Company produces and sells wheat flour by ordering whole wheat rice from aboard so as to make wheat flour. The manufacturing process is very advanced importing from Switzerland in order to make the best quality and standard of flour with meet the criteria of the customer. The wheat flour has both high and low protein. Each type of flour will be used as raw material in different kinds of products. For example, high protein flour is suitable for instance noodle, fresh noodle, bread, and animal nutrition. While, low protein flour is suitable for biscuit, bun, Chinese bun or even all purpose flour. The company has more than 10 flour brands such as fresh noodle flour-under Sen-Yok brand, fresh noodle flour-under Sen-Lueang brand, bread flour under Pung-Daeng brand, bread flour under Pung-Lueang brand, animal nutrition flour under Kula-Daeng brand etc. There are 2 sizes of flour product. The first size is 22.5 kg per bag and the second is bulk size 10,000 kilograms. There is the table illustrated the sale volume of each kind of flour as followed:

- The table of sale volume of each product from 2013 to 2015

Type of Profit	2013		2014		2015	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Fresh Noodle Flour	250.0	25.46	209.3	21.7	193.1	17.3
Instant Noodle Flour	245.9	25.04	142.3	14.7	87.9	7.9
Bread Flour	223.8	22.80	297.8	30.9	391.5	35.1
All Purpose Flour	123.4	12.57	121.6	12.6	135.8	12.2
Biscuit Flour	111.9	11.40	142.2	14.7	200.6	18.0
Animal Nutrition Flour	18.7	1.90	44.0	4.6	98.3	8.8
Other Flour	7.8	0.06	8.0	0.8	9.2	0.8
Total profit of whole flour	754.4	100.0	873.5	100.0	1,116.6	100.0

- The table of selling flour from 2013 to 2015

Type of Profit	2013		2014		2015	
	Ton	Percent	Ton	Percent	Ton	Percent
Fresh Noodle Flour	13,758	23.94	11,961	20.7	11,508	16.6
Instant Noodle Flour	16,208	28.21	9,497.6	16.5	6,229	9
Bread Flour	11,628	20.24	16,229.5	28.1	22,092	31.8
All Purpose Flour	7,481	13.02	7,692.9	13.3	8,934	12.9
Biscuit Flour	6,908	12.02	9,176.1	15.9	13,337	19.2
Animal Nutrition Flour	1,164	2.03	2,829.8	4.9	6,928	10
Other Flour	314	0.54	316.4	0.5	362	0.5
Total amount of selling all flour	57,461	100.0	57,703.4	100.0	69,391	100.0

For more detail of flour products of the Company can be categorized as followed:

1) Fresh Noodle Flour

The Company produces and distributes wheat flour for making Chinese noodle under the brand of Sen-Yok which has protein 11-13 percent and Japanese noodle under the brand of Sen-lueang which has protein 10-11 percent. Wheat flour helps noodle become soft, flexible, and beautiful.

2) Bread Flour

The Company produces and distributes wheat for making bread under the brand of Pung-Daeng which has protein 13-14 percent. Bread flour extracts high gluten from wheat flour helping bread sticky, flexible, well water absorbed, good shape, and soft skin.

3) Instant noodle flour

The Company produces and distributes wheat flour for making instant noodle under the brand of Sen-Thong which has protein 10-12 percent helping noodle become soft, sticky, beautiful color, and good looking.

4) Biscuit flour

The Company produces and distributes wheat flour for making biscuit under the brand Gung-Hun which had low protein only 9-10 percent. This flour has enough toughness and water absorption to make biscuits, crackers, waffle, pancake, doughnut etc.

5) All purpose flour

The Company produces and distributes wheat flour under the brand of Luk-Kling which has moderate protein 10-11 percent. This flour is flexible, sticky and water absorbed to make various products such as cookies, cake, snack, pancake, waffle, bun etc.

6) Animal Nutrition Flour

The Company produces and distributes wheat flour for making animal nutrition under the brand of Kuladeang such as food for shrimp, fish, dog etc. which has protein 13 percent.

7) Others flour

The Company produces and distributes wheat flour in good quality which can use to cook any others food as followed:

- 1) Wheat Flour for making bun under the brand Ta-long-pao has low protein 7-9 percent. The texture of flour has a pure white, light and soft, low of ash, less sticky which is suitable for making Chinese bun, cake, moji, and tart.
- 2) Wheat flour for making deep-fried dough stick under the brand of Ku-Gou which had protein 11-13 percent. This flour is well water-absorbed and helps dough stick crispy with less oil inside.
- 3) Wheat flour for making cake under the brand Hua-Jai such as butter cake, sponge cake, chiffon cake etc. This flour has protein 7-9 percent with pure white texture, well water, sugar, oil absorption helping everything well combines together, as well as helping product has soft and delicious.
- 4) Whole wheat flour under the brand Pung-Thong is flour for making whole wheat bread having high protein about 50 percent. This flour helps bread become soft, full of nutrient, vitamins, and antioxidant which is good for healthy consumers.

Nowadays, there are two organizations having major factors in conducting wheat flour business which are Department of Internal Trade of Thailand and Department of Mental Health. The Department of Internal Trade of Thailand requires to control wheat flour's price by law and all the traders have to abide by rules of Central Committee announced that the price of goods and services. The Company has to inform cost, price, and information of wheat flour to the government sector so that they can check and control price of wheat product. The government sector helps to protect consumers that the industry will not take advantage of selling in high price. However, if the wheat flour in the global market raises up and makes the wheat industry bares high cost, the government sector will take it consideration whether to raise up the price or not. As the wheat flour uses for all kind of producing food in every day's life, it is very important for Department of Mental Health to keep an eye on food industry strictly. Therefore, Department of Mental Health plays a crucial role in controlling food industry to be safe and clean.

Type of Marketing

Because company's products are for making others food to consumers, the Company will concentrate on good quality of products by using novel technology to control wheat transform formula precisely and clean. Furthermore, the Company pays attention to making product differentiation to satisfy consumers' needs by making wheat flour with a special formula from the Company as well as a customer-formula requested (Tailor-Made Flour). The Company also creates novel products to meet different wants and needs of consumers which are strength strategies of the Company. The Company also uses SWOT analysis by knowing the market, the competitors as well as following up the rules and regulations from the government sector.

Marketing Strategy

Although the Company just started the wheat industry in the mid of 2007, the sale volume of the company proves that the business keeps growing continuously. The reason is effective and powerful marketing strategies that the company uses helping boost sale by centering on high quality, customer's wants. Thus, company uses 3 major marketing strategies as followed:

1) Quality Strategy: The Company chooses the best quality of machines for making wheat flour which can control quality of flour accurately, perfectly. The company also has quality insurance sector started from the beginning; finding raw material, flour making process and the packing process in order to follow the systems of GMP, HACCP, ISO 22000 and HALAL. In the process of finding raw material, the quality checking department will random check every 2 hour in the type of all you can buy and will take some sample from every container to check the dampness, protein, and ash. In the production process, the quality checking department will random to check other factors such as color of flour, gluten, bacteria, baking test. Last, the quality checking department will make sure that flour will be kept in a proper warehouse with a good atmosphere.

2) Managing Strategy: All sale persons focus on customers' needs as a very priority. They will ask customer's opinions in order to evaluate the product whether meet customer's need or not. The research and develop departments will also create novel products so that customers have various options to choose. After sale service section, it is very significant for the Company to make sure that customers satisfy with products and services. If customers have any problems, the Company will immediately sent the officer to investigate the situation and sent new product to customer within 7 days.

3) Pricing Strategy: In the beginning for doing business, pricing strategy is very essential for the company due to building new customers. The Company needs to have loyal customers to gain more sale volume in the future. Therefore, the Company has to use a high promotion to motivate customers coming to purchase the products. Nowadays, the Company adjusts the price relying on quality of each product.

Type of customer and target groups

Because wheat flour is a major raw material that food industry needs to use to produce various type of food, customers also wants percentage of protein in the flour differently depending on the purpose of each company. Therefore, the Company will produce flour in special formula as required by customers(Tailor-Made Flour) so as to satisfy all customers' wants. The customers purchase high protein flour 75 percent of all income such as instant noodle industry, fresh noodle industry, bread industry, and animal nutrition industry. Low protein flour is 25 percent of all company's income which only for small entrepreneurs such as bakery shop, cookie shop, snack shop, bun shop, and deep-fried dough stick shop.

There are 2 types of customers in the Company which are 1.) Occasionally customers who purchase without having any contracts. With this type of customer, the Company will sent an updated quotation relating to the product that customers are interested in. 2) Customers who have contracts by quarter period. This type of customers, the Company will send a quotation but will specifically indicate the time of the price's range every three months. The quotation will also be updated every quarter. Recently, the Company has percentage of each type of customers to 80 percent and 20 percent.

The target customers of the Company are divided into 3 groups as followed: 1) Huge industry such as instance noodle industry, fresh noodle industry, bread industry, and animal nutrition industry. 2) wholesalers 3) SME. The Company gives credit to customers for 15-60 days depending on each type of customers. Most of customers are located in Bangkok and the circumference of Bangkok including Eastern part of Thailand.

Price setting' Policy

Wheat flour that the Company sells has many qualities by indicating the percentage of protein either high or low percentage. High protein flour can be categorize in different types such as instant noodle flour, fresh noodle flour, bread flour, animal nutrition flour. Low protein flour is all purpose flour, biscuit flour, cake flour, bun flour and deep-fried dough stick flour. Owing to the different qualifications, it leads to different cost of making flour. Consequently, the price of flour also vary. The Company sets the flour price following the executive board's decision. The price has to follow Department of Internal Trade of Thailand.

Distribution channel

The Company's distribution channel concentrates on direct sale to the customers. Customers will order products whole lot by formerly indicated the price time after time by the Company. The Company will keep sending the product to customers relying to the former price list that offered. Customers can pay deposit or use credit or even cash. All selling process, the Company has its own staff focusing upon Bangkok area and circumference of Bangkok. At present, the Company has 6 sale persons taking care almost 270 clients. The sale persons have considerable experience in marketing. They take charge of contact, liaise with customers especially wholesalers who have a crucial role in broaden the product to consumers effectively.

Industry Atmosphere

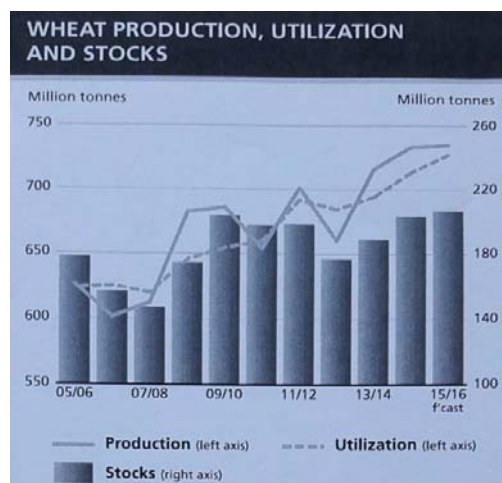
Wheat and wheat flour industry in the global market

Global wheat production in 2015 is now forecast to reach a record of 735 million tonnes, almost 2 million tones more than in 2014, mostly on account of higher outputs in Australia, China, Morocco, Turkey, Ukraine and the United States.

World trade in 2015/16 (July/June) is forecast at 150 million tonnes, almost 6 million tonnes, or around 4 percent, lower than the 2014/15 high. Most of the contraction from last season reflects improved domestic availabilities in Asia and North Africa. Supported by weak national currencies, exports from the Russian Federation and Ukraine are projected to reach new highs in 2015/16, while smaller shipments are forecast for Canada and the EU.

Total wheat utilization in 2015/16 is projected to reach 727 million tonnes, up 2.0 percent from 2014/15. Feed use is forecast to grow by 4.2 percent to 144 million tonnes, largely driven by stronger demand in Asia and North America. In the United States, wheat feed consumption is projected up sharply from the previous season, as a result of this year's poor quality outcome of the spring milling wheat. In the EU, where domestic feed grain supply (of maize in particular), is expected to be much smaller than in 2014/15, the use of wheat for livestock feed is forecast to increase in spite of a slight reduction in this year's wheat production.

World wheat inventories by the close of crop seasons in 2016 are forecast to increase to their highest level in 13 years. Based on the current expectations, the world wheat stock-to-use ratio in 2015/16 would reach 28.9 percent, the highest since 2011/12.



WORLD WHEAT MARKET AT A GLANCE				
	2013/14	2014/15 <i>estim.</i>	2015/16 <i>f'cast</i>	Change: 2015/16 over 2014/15
	million tonnes			%
WORLD BALANCE				
Production	715.6	732.9	734.8	0.3
Trade ¹	156.8	155.8	150.0	-3.7
Total utilization	693.9	712.9	727.0	2.0
Food	481.3	486.1	490.6	0.9
Feed	127.4	138.2	144.0	4.2
Other uses	85.2	88.6	92.4	4.4
Ending stocks	188.4	202.6	205.9	1.6
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	67.2	67.2	67.0	-0.2
LIFDC (kg/yr)	47.9	47.6	47.4	-0.4
World stock-to-use ratio (%)	26.4	27.9	28.9	
Major exporters stock-to-disappearance ratio ² (%)	13.8	15.6	16.8	
FAO WHEAT PRICE INDEX³ (2002-2004=100)				
	2013	2014	2015 Jan-Sep	Change: Jan-Sep 2015 over Jan-Sep 2014 %
	194	181	147	-19.6

¹ Trade refers to exports based on a common July/June marketing season.

² Major exporters include Argentina, Australia, Canada, EU, Kazakhstan, Russian Fed., Ukraine and the United States.

³ Derived from the International Grains Council (IGC) wheat index.

¹ Trade refers to exports based on a common July/June marketing season.
² Major exporters include Argentina, Australia, Canada, EU, Kazakhstan, Russian Fed., Ukraine and the United States.
³ Derived from the International Grains Council (IGC) wheat index.

Table 2. Wheat production: leading producers*				
	2013	2014 estim.	2015 f'cast	Change: 2015 over 2014
	million tonnes			%
European Union	143.6	157.0	154.5	-1.6
China (Mainland)	121.9	126.2	129.9	2.9
India	93.5	95.9	88.9	-7.2
Russian Federation	52.1	59.7	59.8	0.1
United States	58.1	55.1	58.1	5.4
Canada	37.5	29.3	24.6	-15.9
Pakistan	24.2	26.0	27.0	3.8
Australia	25.3	23.7	25.3	6.8
Ukraine	22.3	24.1	25.8	7.0
Turkey	22.1	19.0	22.5	18.4
Iran Islamic Rep. of	14.0	14.0	14.0	0.0
Kazakhstan	14.0	13.0	14.0	7.7
Argentina	9.2	13.9	11.0	-20.9
Egypt	8.8	8.8	9.0	2.3
Other countries	69.1	67.3	70.4	4.5
World	715.6	732.9	734.8	0.3

* Countries listed according to their position in global production (average 2013-2015)

Abundant supplies keep international prices under pressure

Large supplies continue pushing international prices of wheat sharply below their previous year's levels. Uncertainty about the impact of adverse weather on crops during the critical growing just before the start of the season in July.

(Source : Food Outlook October 2015 FAO (Food and Agriculture Organization of the United Nations))

Wheat flour industry in Thailand

Nowadays people are familiar with product made from wheat such as bread, instant noodle, noodle, bakery product like cake, steamed stuff bun, deep-fried doughstick, snack and other helping wheat flour industry in Thailand is likely to grow steadily.

The major raw material for making wheat flour is wheat rice which is well growing in cold weather. Wheat rice cannot grow in Thailand. Therefore, Thailand needs to import from abroad. Thailand imports both wheat rice and wheat flour. Different wheat of different country has its own qualification. There are two main categories which are Hard Wheat and Soft Wheat. The flour from hard wheat has high protein while flour from soft wheat has low protein. Hence, entrepreneurs need to research and study the quality of that wheat before importing into the country. There are two types of wheat rice that Thailand usually import from abroad as followed:

- Hard Wheat from USA such as Dark Northern Spring (“DNS”) and Hard Red Winter (“HRW”)
- Soft Wheat from USA such as Western White and from Australia like Australian Standard White

Normally, Thailand imports major wheat rice from USA and Australia, next Ukraine and Canada and some from Asian. The price of wheat rice is defined by Grain Exchange from USA. The record of countries that Thailand imports wheat rice from last 3 years from 2013 to 2015 as followed:

No.	Country	2013	2014	2015
1	Australia	369,563	449,969	76,036
2	USA.	606,521	500,109	189,880
3	Ukraine	388,321	374,549	1,446,914
4	Canada	250,037	107,850	134,090
5	India	77,016	1,756	1,234
6	Brazil	-	53,869	459,827
7	Moulton said cow	-	8,778	15,835
8	Pakistan	-	-	-
9	Russia	-	483	-
10	France	-	-	694,157
11	Other	6	8	8

Apart from importing wheat rice into the country, Thailand imports wheat flour as well. The main countries that Thailand imports from are Vietnam, Turkey, Philippines, Japan, and Sri Lanka. The record of importing wheat flour market in Thailand from 2013 to 2015 as followed:

No.	Country	2013	2014	2015
1	Vietnam	51,153	54,071	41,310
2	Turkey	32,507	20,009	28,349
3	China	9,134	865	1,136
4	Sri Lanka	14,275	11,239	17,047
5	Japan	14,332	12,486	10,904
6	Philippines	15,610	15,181	17,200
7	Singapore	11,211	10,651	10,450
8	Slovenian	4,485	4,987	11,092
9	Ukraine	5,864	4,604	4,806
10	Australia	3,823	3,953	3,044
11	Russia	2,772	3,672	3,074
12	Latvia	4,244	6,116	8,352
13	Malaysia	3,320	2,607	3,194
14	South Korea	2,071		2,274
15	Taiwan	21		38
16	Other	3,197	12,421	4,224

Importing wheat rice for making food in Thailand, there are three main countries consisting of USA, Australia, and Canada. Therefore, considering the record of importing wheat rice during 2013-2015, the rate of the wheat has been growing steadily.

In terms of government supporting for entrepreneurs in wheat rice and wheat flour industry, the government pledges to refrain from tax for importing wheat rice into Thailand and reduces taxation of wheat flour in 2005. Moreover, government has a policy mainly to protect the consumers such as monitoring the standard of wheat rice following Department of Mental Health. Furthermore, Thailand makes an agreement with Asian Free Trade Area (AFTA) affecting tax reducing for importing wheat flour into 0 percent in 2010. This agreement causes intensive competition through entrepreneurs. The wheat factories in Thailand have to improve themselves in terms of price, quality, products, and services.

Competitive Atmosphere

Wheat flour industry in Thailand has started more than 40 years. The beginning of this industry had only 4 entrepreneurs which were United Flour Mill Company Limited (UFM). UFM registered in the stock exchange of Thailand since 1978 and delisted from listed security in 2010. Next three entrepreneurs were Laem-Thong Sahagarn CO., Ltd., Siam Flour Ka-Pang Co., Ltd. and Aut-sa-ha-gum Pang Kaow Sali Thai Co., Ltd. Later on in 1991, Manufacturers have increased as follows Bangkok Flour Mill Company Limited, Nisshin STC Flour Milling Company Limited, Curry Flour Mill Company Limited, King Milling Company Limited, Pacific Flour Mill Company Limited, and Jaren-Pokkapan Aharn-sud Company Limited (Specifically for food of shrimp). The first three companies produce wheat flour for human consumption which is industrial conglomerates in terms of technology. Hence, it is not easy for new entrepreneurs coming into wheat flour industry. Nonetheless, there are 11 wheat industries in Thailand. Each industry has production capacity around 250-1,500 ton per day.

Thailand competition atmosphere of wheat industry focuses on services and qualities of products. If new entrepreneurs come into this market, they will center on price strategy. Wheat competition is not only same marketing competition but also importing wheat flour products from international brands. There are many importing ready to use wheat flour international brands. In 2005, Thailand used to impose tariff on wheat products in 40 percent helping wheat industry got some protection from the government. However, since Thailand needs to abide by not only AFTA policy but also FTA policy, Thailand reduces tariff rate into 5.0 percent. (FTA policy is related to some countries like India and Australia), Furthermore, in 2010, the import duty in wheat product reduced only 0 percent causing more importing wheat flour from abroad. In 2009, before reducing import duty Thailand imported wheat flour 113,052 tons while in 2010, Thailand imported 173,107 tons meaning add more 53 percent and add in year 2011 2012 and lower in year 2013 and 2014 about 22 percent 1 percent 18 and 12 percent respective There is the table of importing wheat product of each country as followed:

If taking consideration through the statistics from last two years, there is raising in terms of statistics. Nevertheless, there is a weakness of importing wheat flour due to controlling policy. Since wheat flour takes time in terms of transportation, it is required to evaluate the quality of wheat flour. For example, it needs to concern about dampness and weevils that may destroy the character of wheat flour. These kind of problem rarely happens to the company itself due to the different target group. Because the customers of the Company do not require good quality of wheat flour, hence; this affect is not related to company's business. Nevertheless, the Company has a contingency plan for this issue as followed:

- Focusing on the quality of products, the Company aims of producing products without any contamination which may have a negative effect on or even harm consumers. The Company also gives more importance to customers' needs by producing flour following customer's request (Tailor-Made Flour) in order to satisfy customers as well as enlarge target customers.
- After sale service is very significant for the Company. After buying product from the Company, customers can assure that the product is tested before delivery to them. If any complaints has made, the company will take action immediately within 7 days.
- The amount of order: Purchasing from abroad requires a large quantity which is a very high cost. It requires large warehouse in order to keep large quantity of wheat. These conditions support only large-scale enterprises

not small-medium sized enterprise (SME). SME will have limitations in terms of budget and the warehouse. Therefore, ordering from the company is more flexible for customers and small entrepreneurs as they can order exact amount that they want.

The provision of products and services

Raw material of making wheat flour is wheat rice which absolutely has to import from abroad. The main source of raw material comes from USA and Australia which are the biggest agricultural commodities in the world like wheat. The company mainly orders wheat from USA as a whole (Bulk). An ordering period is around March and September of every year. Besides, the Company orders from Australia as a container which will order 3-4 times per month depending on demand at that time. There are two types of wheat rice used in the company which are 'Hard Wheat' and 'Soft Wheat'. Hard wheat is made of hard rice which has high protein approximate 13-15 percent. Hard wheat has sticky texture which is suitable for making instant noodle, fresh noodle, bread, and animal nutrition. All of hard wheat mainly comes from USA. While, wheat flour that is made from soft wheat has protein around 10-11 percent which has lower percentage than hard wheat. Unlike hard wheat, soft wheat has less sticky texture but soft texture which is suitable for making cake, Chinese bun, and cookie. Soft wheat comes from Australia.

For managing raw material, the company does not speculate in raw material since the price will vary according to the cost of wheat rice. All the customers also understand the way of the wheat needed to calculate. The process of wheat buying will go under an international trader by using the price rate from 'Grain Exchange Market' in USA. The price that the company pays mostly is C&F type meaning a seller will manage the ship or a cargo in order to deliver to the company. However, the company is responsible for the insurance and the order incase an accident occurs during the delivery process. If an accident happens, the company will get compensation from insurance. Thus, the company totally pays attention to wheat quality as a main raw material of company's product by 'Quality Assurance' department so as to assure that wheat rice is in good standards.

Managing raw material, following business ethics, the company will keep wheat in an inventory no more than 4-6 months. If the company keeps wheat more than that period, it will cost lot of cost and negative effects. For instance, the Company has to be responsible for the cost of wheat owing to an unstable wheat price of the global market. These reasons can lead the company to risk in the case of wheat price reducing. Nevertheless, buying wheat rice from USA requires 'Bulk' buying; hence; the company must well manage all inventory not to stay too long. As a result, the Company needs to sell wheat rice to animal nutrition industry in order to clear inventory in time which means 4-6 months only. Selling wheat product to animal nutrition industry creates new partnership in the business.

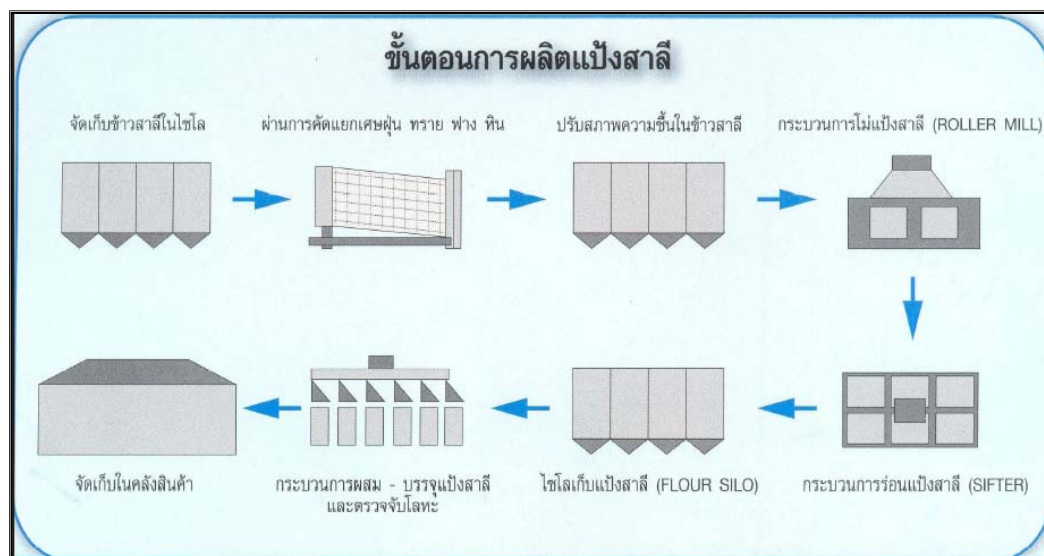
Producing Process

The Company conducts production planning to be matched with marketing strategies. The company will evaluate between actual production and customer's demand from sale department in order to control the production planning effectively. Besides, the company makes a future plan of the next order like wheat rice order, chemical order etc.

The Company totally pays attention to a production process since the product is related to food consumption which needs to remain hygiene. During the production process, there is a random check to control and evaluate products from a quality insurance department. The Company also sets a private sector to estimate the production department before making a package in every 2 hours.

Moreover, the Company chooses a novel technology for making wheat flour under the brand 'Buhler' imported from Switzerland. In addition, there is regularly checking up machines so as to follow the process of ISO 22000 : 2005 / GMP / HACCP system. There are four main steps of production process as followed:

- 1) The wheat transfer (SILO): This is a process of moving wheat rice from major silo to minor silo so as to clean and adjust the wheat dampness preparing wheat rice for a production process. The company has 19 silos which are 6 huge silos which capacity 6,000 tons, 8 silos which capacity 2,500 tons, 2 silos which capacity 2,000 tons and 3 small silos which capacity 300 tons All silos are for storing wheat rice importing from aboard.
- 2) The Wheat Cleaning: This is the process that cleans the skin; adjust the dampness of wheat rice. This process is for fermenting wheat rice in order to be ready to mill wheat by detecting dirt, sand, stone, broken rice out of wheat rice. Then, wheat rice will be taken to a exfoliate process, a spraying process so that wheat rice can adjust itself to be ready to milling process. All wheat rice will go under whole process twice during the different time because there are many types of wheat rice. For instance, hard wheat takes 42 hours per 100 tons in cleaning process while soft wheat takes 30 hours per 100 tons.
- 3) The Milling Process: After the cleaning process has finished, this step is milling process by milling wheat twice. The first mill is for separating the wheat from the chaff. The second mill is for making wheat flour. There are rough wheat flour and delicate wheat flour after milling process. The rough wheat flour will be grinded by a roller until it is ready to use. Wheat product will be flour, and rice bran which are 75 percent and 25 percent. Both flour and rice bran will be kept separately in different silos following each type of wheat rice.



The length of production process is 9.5 days for hard wheat and 9.0 days for soft comparing with 100 tons. Nowadays, the Company has one assembly-line method. This method works 24 hours dividing into 3 shifts. Each shift can produce only one type of wheat. The highest production capacity is 500 tons per day. The production capacity's rates from 2013 to 2015 were 95.63, 98.20 and 67.12 percent. The rate of production capacity in 2015 decreased due to the expansion of production capacity during the year. But manufacturing plant and customer cannot fully extended. But the production volume in 2015 up from 2014. For this reason, the production rate of its decline. However, in 2014 and 2015, the company has increased production capacity utilization rate averaged at 2.68 and 19.62 percent, respectively.

Wheat Flour Producing	2013	2014	2015
Production Capacity (Ton/day)	250	250	500
The amount of capacity (Ton)*	78,000	78,000	136,500
The actual amount of capacity (Ton)	74,594	76,595	91,625
The Used of production capacity (%)	95.63	98.20	67.12
The amount of capacity's rate (decrease) (%)	+13.44	+2.68	+19.62

Remarks : *The Amount of days is 26 days produced per month)

An effect on environment

There is no environmental effect due to using novel technology as a producing process having no dirt of flour. Water system in the industry is for controlling the wheat's dampness by letting wheat absorb whole water into them having no waste water into the environment. The Company has no any environmental cases at all.

Work has not been delivered.

As of December 31, 2015 and 2014, The Company has no obligation to sell the contract goods are not delivered.

Asset using in the business

The main fixed asset used in the business

The Company has fixed asset for conducting a business after depreciation by using straight line method for 3-30 years depending upon types of assets. In December 31, 2014 and December 31, 2015 the Company asset was cost 752.9 million baht (THB) and 780.5 million baht (THB) according to a net book value as followed:

Type of Assets	Type of Ownership	Net Book Value (Million Baht)		Obligation
		Dec 31, 2014		
1. Building and Structure* factory and 3 buildings situated in : 90/9 Moo 1 Soi Siam-Sailo Poo-Jao-Sa-Ming-Prai Road Sumrong Klang Prapradaeng Samutprakarn Province	Owner	59.1	161.2	No obligations
2. Machines and Equipment	Owner	219.1	421.9	
3. Decorations and office equipment	Owner	3.4	4.8	No obligations
4. Vehicles	Owner	8.2	10.0	No obligations
5. Utility System	Owner	19.8	38.2	No obligations
6. Asset during the construction	Owner	443.3	144.4	No obligations
Total		752.9	780.5	





Remarks : * Buildings and an office are situated in the land rent from TSTE During the year 2556 the Company received a loan from a financial institution, two of the new company . To release the mortgage securities , including any property . To be provided as collateral to the lenders party. Which in October 2556 , the Company successfully implemented . In addition, the financial institutions have reduced lending limit for letters of credit, trust receipts . Short-term loans And forward foreign exchange contracts . And adjust the loan terms Negative Pledge.

The company is expanding capacity by implementing the resolutions of the Board of Directors Meeting No. 2/2556 on 1 March 2556, the program has the property which is calculate the total value of the consideration as per Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Rules on Transactions with significant acquisition or disposition of assets dated August 31, 2551 and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition . Assets BE 2547 dated 29 October 2547. Mentioned above classified as a category 2 in which the Company is required to disclose to the stock market. And a circular to shareholders within 21 days from the date of SET the company has already disclosed .

The company is expanding capacity by implementing the resolutions of the Board of Directors Meeting No. 2/2013 on 1 March 2013 and No.3/2014 on 13 March 2014, the program has the property which is calculate the total value of the consideration as per Notification of the Capital Market Supervisory Board No. TorJor .20/2008 Rules on Transactions with significant acquisition or disposition of assets dated August 31, 2008 and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition . Assets BE 2004 dated 29 October 2004. Mentioned above classified as a category 2 in which the Company is required to disclose to the stock market. And a circular to shareholders within 21 days from the date of SET the company has already disclosed .

Intangible Assets

The company has 12 trademarks by registering with Department of Intellectual Property since March 27, 2012. When the process finished, the company will own trademarks for 10 years starting from the register date. The further information will be describes as followed:

Information of trademarks and services	Logo of trade mark	Description
1 Pung-Thong brand		Ready used flour for making whole wheat bread having high protein 50 percent. The flour is full of fiber, vitamins, mineral and antioxidant.
2. Pung-Daeng brand		High wheat flour especially for making bread such as sandwich bread, baked bread etc.
3. Pung-Lueng brand		Wheat flour for making bread which has sticky texture, and flexible texture. This flour is suitable for sandwich, doughnut, pastry, and pizza.
4. Sen-Thong brand		Wheat flour for making instant noodle.

Information of trademarks and services	Logo of trade mark	Description
5. Sen-Yok brand	<p>ตรา เส้นหยก</p> 	Wheat flour for making high quality of Chinese noodle, fresh noodle and wonton paste.
6 Sen-Lueang brand	<p>ตรา เส้นเหลือง</p> 	Wheat flour for making fresh noodle or wonton paste.
7. Luk-king brand	<p>ตรา ลูกกลิ้ง</p> 	All purpose wheat flour for making doughnut, pancake, cookie, tart, waffle, Chinese bun, and crispy bun etc.
8. Gung-Hun brand	<p>ตรา ก้อน</p> 	Wheat flour for making biscuit, waffle, pancake, doughnut, crispy bun etc.
9. Ta-long-Pao brand The certificate of registration of a trademark on January 3, 2014.	<p>ตรา</p>  <p>ตำซดงเป่า</p> <p>แป้งสาลีตราตำซดงเป่า</p>	Wheat flour for making bun, Chinese bun, cake, cookie, moji, tart.
10. Koo-Guo brand	<p>ตรา กูโก</p>  <p>แป้งสาลีตรากูโก</p>	Wheat flour for making deep-fried dough stick.
11. hua-Jai brand	<p>ตรา หัวใจ</p>  <p>แป้งสำหรับทำขนมเค้ก</p>	Wheat flour made by special process. This flour has soft white texture which is suitable for making butter cake, sponge, chiffon cake etc.

Information of trademarks and services	Logo of trade mark	Description
12. GU-la-Deang brand		High protein wheat flour for making animal nutrition like shrimp, fish, dog etc.

The investment policy of the company via subsidiaries and joint ventures

According to committees' opinion No.3/2012-March 15,2012, there is an opinion about investment policies through subsidiaries and/ or joint ventures in the future. The Company may broaden its business in the future; hence, it is important to have subsidiaries or joint ventures to support main business of the company. The company plans to appoint the committee to be one the board of subsidiaries or joint ventures in order to make policy supporting the Company.

Controlling subsidiaries and joint ventures always has to have a bilateral agreement with the Company. For example, an investment in the joint venture has to appoint committees following the company by comparing with the percentage of shareholders. While an investment in a subsidiary is different, the Company will appoint committees taking charge of a business upper than 50 percent of board members. If the subsidiary has a negative impact on the company's business severely, the subsidiary will ask permission from the board or even be investigated from the audit committees as well.

Risk Factors

The risk of depending on a same source or a same group of people

The risk by have no enough silos to store raw material (Wheat rice)

Nowadays, the Company has 11 silos consisting of huge and small sizes for keeping wheat rice as merely main raw material. Nevertheless, it is not enough for the Company to keep wheat rice within 19 silos. Sometimes, there are load of wheat rice importing from aboard. As a result, the Company has to rent silos or warehouses from related company by making a short-term contract. In the past, the Company rent warehouse from related company only 2-6 months contract. Nonetheless, it is very risky for the Company to rent from that source. For example, if the Company wants to continue the rent contract during that time but the landlord does not allow or the silo is not available, it will cost more money for the company in order to find new warehouse from outsource. Because the rent rate in nowadays is a special rate for the related company comparing with the out source's rate. From the past, the Company used to rent silo from related company but could not make it. Therefore, the Company had to rent from outsource which gain more cost to 0.6 million baht per 3 month per 1 silo. Investment in silos to store 60,000 tons of packing material has enough space to store raw materials do not need to rent a warehouse to store raw anymore.

Financial risks

Financial risks due to instability of interest rate

At the end of 2013, the company's debt bearing interest of shareholders' equity was 0.5 times and increased to 0.8 times in 2014 and 1.1 times in 2015 due to loans from financial institutions to expand Capacity. As of December 31, 2015 The Company has loans from financial institutions in the form of short-term and long-term loans of approximately Baht 906.8 million and interest expense of 23.6 million baht. The interest rate is based on a floating interest rate. Therefore, the adjustment of the interest rate would affect the company. Has increased interest Affect the operations of the company makes a profit decline and may make a return on equity decreased. However, the Company Has managed to interest rate risk. The issuing of loans are fixed rate and floating rate accordingly and track trends of interest.

The risk of the fluctuation in currency exchange rate

Wheat business in terms of producing and distributing uses wheat rice as a major raw material. Wheat rice has to imported from aboard. The payment method will use US dollar as an exchange rate. Unlikely, the company's distribution is merely in Thailand used Thai baht as a core exchange rate. For these reason, the Company has to encounter the risk of the fluctuation in currency exchange rate. If Thai baht depreciates comparing to US dollar, it will increase the cost of the company. On the other hand, if Thai baht appreciates comparing to US dollar, it will decrease the cost of the Company. Therefore, in order to reduce this risk, the company applies "Fixed Forward Exchange Rate" method meaning that the Company pre-order the currency under the committees' consideration. This method is for the company's benefit not for trading currency exchange. Using 'Fixed Forward Exchange Rate' helps company know the cost of imported material. In fact, the Company gained the profit from 2013 to 2014, 2015 which were 1.2 million baht, 1.5 million baht and 12.2 million baht.

Nonetheless, these solutions cannot guarantee that the Company will gain profit from the fluctuation in currency exchange rate.

The risk of conducting a business

The risk of finding raw material (in terms of quality and quantity)

The main raw material making wheat flour is wheat rice. Wheat rice well grows cold weather. Unfortunately, Thailand cannot grow wheat rice. As a result, it is important for the company to import wheat rice from abroad. The countries where wheat rice well grows are USA, Australia, Canada, China, India, Argentina etc. Each wheat rice has different characters depending on the area that it was grown. The Company will purchase wheat rice from USA and Australia as main countries because of the exact percentage of protein that the company requires. If the company cannot get wheat rice in the required amount in terms of quantity and quality, it will cause negative effect to its business. The Company had an experience with Australia. At that time, Australia encountered drought making less wheat rice affecting the Company was at risk of not being able to find raw material following the client's order. However, the Company already has a prior agreement with the traders to produce wheat rice as well as a policy of controlling raw material in an inventory. Furthermore, there are many countries in the world grow wheat rice helping the Company can find another source like Canada, South Africa, China, or even India. Even though the quality of wheat rice from those countries is not as good as wheat rice from USA and Australia, the Company can use those wheat rice for producing wheat flour following customer's demand.

The risk of the fluctuation in Wheat rice's price

Wheat rice is one of the consumer goods having prior market called 'Grain Exchange' in USA. Wheat rice is a main cost of the company which is 90percent of the whole cost. The Company will purchase wheat rice twice a year on March and September. Each purchase will be around 20,000 tons. Each purchase can produce company's product for 4-6 months. If the cost of wheat rice changes, the cost and the profit of the company will change as well. The Company cannot immediately change the price of the product owing to the Department of Internal Trade of Thailand. If the Company wants to raise the price of wheat flour, it needs to inform the Department of Internal Trade of Thailand. However, the Company always follows up the wheat price in the global market in order to reduce the fluctuation in wheat rice's price. During the very high price of wheat rice, the Company will purchase wheat rice only the exact amount needed to use or apply "Fixed Forward Exchange Rate" method. In addition, the Company has research and development department (R&D) so as to conduct a research related to species of wheat rice so that the company can use cheap wheat rice making flour in the same standards. All of the solutions, it helps the Company Wheat prices fell by 0.34 baht per kilogram in 2015. As a result, the cost of wheat decline.

The risk of the fluctuation in the transportation cost (Oil price)

The company imports wheat rice by sea shipping. Therefore, sea shipping is another cost of making flour. Freight rates will be related to world oil price. If oil price increases, freight rates will increase as well. Moreover, if the demand of sea shipping increases, the freight rate will increase inevitably. This is an uncontrollable cost. The solution of the company is importing bulk of wheat rice at one time helping the company save its shipping cost. Another way is ordering the bulk of wheat rice at the same time as other rice mill companies. Then they can use the same vessel so as to transport the wheat rice into Thailand.

The risk of no forward contract in terms of the fluctuation in raw material's price

Purchasing raw material, the company has no forward contract (or futures contract) in order to prevent the fluctuation in raw materials price. Nonetheless, the price of wheat flour will vary from the price of wheat rice. During the high price of wheat rice in global market, the company will increase price of wheat flour for the customers who do not have a contract. While long-term contract customers, the company has to maintain the price following its contract. During the low price of wheat rice in the global market, the company needs to take immediate action by speeding selling the wheat up including animal nutrition industry. Furthermore, the company applies "Fixed Forward Exchange Rate" method in order to protect the fluctuation of cost that may occur.

The risk of Government PolicyThe risk of price control of wheat rice

In 2009, Department of Internal trade has announced that wheat rice is a product needed to be control price. The entrepreneurs have to declare the cost of production, the cost of importing the material, other cost, the selling price of the wheat flour etc. The selling price declared to Department of Internal Trade is a price ceiling that is the maximum price the company is allowed to charge for a product. Hence, if the cost of raw material increases over the price ceiling, it will be very difficult for the company to mark up the price which will affect the profit of the company. In fact, the cost and the selling price are always lower than the price ceiling. However, if the cost of raw material increases, the company will declare to the government to add more price ceiling. The company realizes these risks so that the company will do its best to produce good products with high quality as well as customers service to satisfy customers of all level. The concerning of products and services is very necessary since there are many competitors both Thailand and abroad.

The risk of Free Trade Area of Imported Wheat flour (FTA)

Before 2005, Thailand imposed tariffs on wheat flour imports to 40 percent helping wheat flour industry in Thailand get a protection. However, after Thailand made an agreement with Asian Free Trade Area (AFTA) and Free Trade Area (FTA) with India, and Australia, Thailand changed tariffs on imports to 5.0 percent in 2005. January, 2010 Tariffs on wheat flour imports among Asian was 0 percent causing price competition become aggressive. Besides, the reduction of wheat flour import supports company's customer to directly order wheat flour from abroad instead of buying from the company in Thailand. The company will have less sale volume resulting in less profit. Nonetheless, so far AFTA's agreement has not affected much through the company's business. Still, the company has management plans on this risk as mentioned:

1. Centering on product's quality; the company will center on hygiene that the product will not have any contamination which may harm consumers.
2. An after-sale service: when customers purchased products, the company will monitor quality of products every time. If there are any complaints about the quality of wheat flour, the Company will immediate take an action within 7 days.
3. The amount of order: The Company has a flexible policy for customers in order to purchase wheat flour. For example, customers do not need to have warehouse to keep wheat flour but they can order exactly amount that they want. The company also product wheat flour following customer's order as well as having scientist's team to improve, develop the formula of wheat flour to satisfy customer's need.

**The risk of having major shareholders in the company more than 50 percent**

In January 4, 2016 a major shareholder of the company was Thai Sugar Terminal Company Limited (TSTE) which held share 69.34 percent of authorized capital. Thais percentage was more than 50 percent helping TSTE control all votes from committees. For instance, TSTE can control committee's election, or any other votes requiring majority vote excepting the topic that has to abide by law. That exception vote needs 3 out of 4 from shareholders. As a result, other shareholders are in at risk that they may be not balance power on meetings.

Nevertheless, for the sake of business's transparency and power balance, the company adjusts an organization's structure so as to be more effective and be able to investigate. The Company has 12 committees including audit committees; however, all of them are not the major shareholders. (There are 4 major shareholders). Furthermore, the company set a private internal investigate department directly working for the audit committees. This private department takes charge of monitor internal system to run properly and investigates the working process of management department to run transparently. Moreover, if any committee, boards or executives are investigated, they will have no right to vote in any meeting and have to follow the law of Securities and Exchange Commission Thailand.

The Structure of stockholders and management

The amount of capital registration and paid

As of December 31, 2015 The company has registered capital of 399,000,000 baht. Divided into 399,000,000 ordinary shares of the stock. Par value of Baht 1 per share as paid-up capital of 342,000,000 shares representing 342,000,000 baht. By listed companies (**mai.**)

Shareholder

List of shareholders and shareholding ratio of registered capital and paid up. As it appears in the list of shareholders of the Company as at 4 January 2016 are as follows.

No.	Name	No. of Share	%
1	Thai Sugar Terminal Public Company Limited	237,159,720	69.34
2	Mr.Chaiyasit Viriyamettakul	8,050,000	2.35
3	Mrs.Arune Dejvitak	4,149,200	1.21
4	Mrs.Khantong Udonmahuntisukh	3,325,401	0.97
5	Mrs.Nusara Peansupap	2,876,827	0.84
6	Mr.Num Chonsaipan	2,839,680	0.83
7	Mitkasate Industry Company Limited	2,524,366	0.74
8	Mr.Vibon Sareeyotin	2,432,400	0.71
9	Mr.Virod Pongbanyarad	2,240,000	0.66
10	Mr.Chockanan Mahuckpongdamrong	2,034,300	0.60
11	Mr.Worawit Leenabunjong	1,875,856	0.55
12	Mrs.Sarinya Hwangwatcharakul	1,866,600	0.55
Major shareholders		271,374,350	79.35
Other minor shareholders		70,625,650	20.65
Total shareholders		342,000,000	100.00

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

Remark : 1. Representative of the THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED As a director in Company have Total 9 persons as follow Mr.Pricha Attavipach, Mr.Prapas Chutimaworaphan, Mr.Chanachai Chutimaworaphan, Dr.Charnkrij Dejvitak, Dr.Supasorn Chayowan, Mr.Somchai Chinthummit, Mr.Narong Chenlapwatanakul, Mr.Dhanadon Sujiphinyo and Mr.Chalush Chinthummit

2. List of shareholders of TERMINAL PUBLIC COMPANY LIMITED (“TSTE”) Top 10 as December, 31 2015.

Organizational Structure

The Structure of the Board of Directors comprises 4 Boards, the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee and Executive Director. There are name lists and scope of the authority as follows:

Board of Directors

As at December 31, 2015 the Board of Directors. A total of 12 persons in year 2015 has held off site (Board Retreat) 1 session. Board of Directors as follow

No.	Name List	Position	Board Meeting	
			Number of Meetings	Number of Attendees
1.	Mr.Pricha Attavipach	Chairman Independent Director	12	12
2.	Mr.Prapas Chutimaworaphan	Director Executive Chairman	12	12

No.	Name List	Position	Board Meeting	
			Number of Meetings	Number of Attendees
3.	Mr.Somchai Vanavit	Director Chairman of Audit Committee Independent Director	12	11
4.	Dr.Charnkrij Dejvitak	Director Executive Vice Chairman Managing Director	12	12
5.	Mr.Chanachai Chutimaworaphan	Director Executive Director	12	11
6.	Dr.Supasorn Chayowan	Director Nomination and Remuneration Committee	12	12
7.	Mr. Somchai Chinthummit	Director Nomination and Remuneration Committee	12	11
8	Mr.Chalermchai Wongwaiwit	Director Audit Director Independent Director	12	11
9.	Mr.Anek Khamchum	Director Audit Director Independent Director Chairman of Nomination and Remuneration Committee	12	11
10.	Mr.Narong Chenlapwatanakul	Director Executive Director	12	12
11.	Mr.Dhanadon Sujiphinyo	Director Executive Director	12	10
12.	Mr.Chalush Chinthummit	Director Executive Director	12	10

Remark : Mrs.Waewta Natphan has been appointed to be the secretary to the Board of Directors since the Board of Directors meeting No 10/2015 on October 29, 2015 and periods beginning on October 29, 2015

Authorized Directors

The Board of Directors have been appointed as authorized directors, namely, Mr. Prapas Chutimaworaphan, Mr.Narong Janelapwattanakul, Mr.Chaichana Chutimaworaphan, Dr.Charnkrij Dejvitak, Mr.Thanadol Suchupinyo, Mr.Chalush Chinthammit. Any two of the authorized directors are authorized to sign jointly on behalf of the company with the company's seal.

Scope of Authority and Responsibilities of the Board of Directors

Directors' Meeting No. 5/2010 on May 27, 2010 has approved the scope and authority and responsibilities of the Board of Directors as follows:

1. Determining the goals, policies, plans, budgets and operating direction of the company. As well as controlling and overseeing the man of the management or any other persons, which was assigned to perform according to the defined policy effectively and effectiveness. Overseeing to ensure that management or any other persons, have complied with the Commission's policies. Acting in a best interest of shareholders.
2. Directing the Company's operation in compliance with the laws, objectives, the Company's Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings in good faith and with care to preserve the highest interests of the Company and fairness to all involved parties.
3. Auditing and approving policies and procedures for large investment projects of the Company according to the proposed by the sub-committee and/or the management.
4. Acting in a best interest of shareholders and disclosing information to shareholders accurately, completely, and transparently.
5. Reviewing the operating plan, strategies, budget, and business goals and reviewing management development plan and the succession plan for the board while overseeing to ensure the effective performance assessment of management on an annual basis.
6. Appointment, assignment or recommendation the sub-committee or working group to consider or act in a particular subject, the Board of Directors deems appropriate.
7. Implementation of the company's internal audit measures to achieve an effective internal control system. Including risk management and reliability of financial reporting by providing internal audit unit is monitored and conducted in collaboration and coordination with the Audit Committee.
8. Preparation of the Annual Report and responsible for the preparation and disclosure the Statements of Financial Position and results of operations in recent years to propose to the shareholders' meeting.
9. Arrangement the annual general meeting of shareholders within four months after the end of year.
10. Considering and approval any necessary benefits of the Company.

The followings, the Board of Directors shall be made only when approved by the the shareholders' meeting are:

- A) Any matter required by law to be resolved by the general meeting of shareholders. And
- B) Any matter which the Director has a conflict of interest and in the law, or the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand, specified must be approved by the general meeting of shareholders.

The decision of the Board to proceed in the followings. The Board will act only when approved by the shareholders' meeting by a vote of not less than 3 in 4 of all votes.

- (A) The sale or transfer all or a substantial part of the company to other persons.
- (B) The purchase or acquisition of another company.
- (C) The amendment or termination all or a substantial part of the company. Assignment to others to manage the businesses of the company or merger with another person. Its purpose to share profit and loss.
- (D) The amendment of the Memorandum of Association or Articles of Association.
- (E) Recapitalization, reduction of capital or stadiums of the company.
- (F) The merger or dissolution of the company.
- (G) Any other specified under the provisions of the Securities and Exchange Commission and/or the Stock Exchange of Thailand that have been approved by the Board of Directors and the shareholders' meeting by a vote.

In any matter in which the director has an interest or a conflict of interest with the company, must be not vote on the matter.

The Board of Directors also has the duties of overseeing the Company's compliance with the Securities and Exchange Commission, requirements of the Stock Exchange such as related transactions, acquisition or disposition of assets, under the rules of the Stock Exchange of Thailand or according to the Securities and Exchange Commission or the laws relating to the business of the company.

The Audit Committee

The Audit Committee of the company has structure, which is independent of the executive. This includes the luminary, which is independent director of the executive and major shareholder of the company. In addition, Possesses qualification according to the notifications of the Stock Exchange of Thailand and/or the Securities and Exchange Commission.

As at December 31, 2015, the Audit Committee of the company comprises 3 auditors as follows:

No.	Name List	Position
1	Mr.Somchai Vanavit	Chairman of Audit Committee
2	Mr.Chalermchai Wongwaiwit	Audit Director
3	Mr.Anek Khamchum	Audit Director

Remark : Mrs.Waewta Natphan has been appointed to be the secretary to the Board of Directors on on October 29, 2015

There are Mr. Somchai Vanavit and Mr. Chaleumchai Wongwaiwit as auditors, who have sufficiently knowledge or experience in accounting and finance to verify the credibility of the financial statements.

Scope of Authority and Responsibilities of the Audit Committee

Directors' Meeting No. 5/2010 on May 27, 2010 has approved the scope of authority and responsibilities of the Audit Committee as follows:

1. Check that the Company has an appropriate financial reporting system and disclosure of information in its financial statements in accordance with the legally defined accounting standard, with transparency, correctness, and adequacy. Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the company.
2. Check that the Company has appropriate and effective internal control and internal audit systems and consider the independence of the internal audit. According to approve the appointment, removal, transfer or dismissal of the chief internal audit or any other agency responsible for internal audit.
3. Check that the Company is in full compliance with the Securities and the Stock Exchange Law and other laws relating to the Company's business.
4. Consider, select, propose the appointment and remuneration of, and assess the efficiency of the company's independent auditor. According to organize meetings with the Company's auditor, without the attendance of management, at least once a year.
5. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Stock Exchange of Thailand.
6. Prepare the Audit Committee's report to be disclosed in the company's Annual Report and duly signed by the Chairman of the Audit Committee and containing comments as follows:
 - (A) Comments on the transparency, correctness, and adequacy of financial statements
 - (B) Comments on the adequacy of internal controls of the company
 - (C) Comments on compliance with the Securities and the Stock Exchange Law and other laws relating to the company's business
 - (D) Comments on the suitability of the auditor
 - (E) Comments on transactions that may have conflict of gain
 - (F) Number and attendance of the meetings of the Audit Committee
 - (G) Comments or observations by the Audit Committee has performed its duties under the Charter

- (H) Shareholders and investors should be aware of other items, which is under the scope of duties and responsibilities assigned by the Board of Directors.
7. Perform any other duties assigned by the Board of Directors with the consent of the Audit Committee.
8. Have the authority to conduct inspections and investigations as required on various matters. Which may have a significant impact on the financial position and results of operations of the company including :
- (A) Transactions which may cause conflicts of interest
- (B) Fraud or irregular events or material flaws in the internal control system
- (C) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the company's business

The Committee may seek external consultation and professional advice from independent consultants or specialists, as deemed appropriate, at the company's expense. The Audit Committee is responsible for the inspection and investigation reports to the Board of Directors of the company to rectification within the Audit Committee deems appropriate.

The Nomination and Remuneration Committee

Board of Directors Meeting No.3/2015 on March 12,2015 approved the appointment of the Nomination and Remuneration Committee for the existing committee, comprises 3 persons as follows:

No.	Name List		Position
1	Mr.Anek	Khamchum	Chairman of Nomination and Remuneration Committee
2	Dr.Supasorn	Chayowan	Nomination and Remuneration Committee
3	Mr.Somchai	Chintummit	Nomination and Remuneration Committee

Scope of Authority and Responsibilities of the Nomination and Remuneration Committee

Board of Directors' Meeting No.4/2012 on April 19, 2012 resolved to determine the scope and authority and responsibilities of the Board Nomination and Remuneration Committee as follows:

- Specify qualifications of any person to be nominated for directorship ,considering diverse candidates with skills, experience, gender and expertise useful for the company.
- Review and give advice to the Board of Directors on the structure, roles and responsibilities, and practices of the Board of Directors and the committees.
- Report regularly on progress and performance results to the Board of Directors.

4. Propose guidelines and methods for remuneration to be paid to the Board of Directors and the committees appointed by the Board of Directors, including bonus and attendance fee. Recommend the policy on the management remuneration including salary and annual bonus, in line with the Company's operating results and the performance of each top executive.
5. Perform other duties as assigned by the Board of Directors.

Executive Directors

As at December 31, 2015, the Executive Director of the company comprises 6 persons as follows:

No.	Name List		Position
1	Mr.Prapas	Chutimaworaphan	Executive Chairman
2	Dr.Charnkrij	Dejvitak	Executive Vice Chairman & Managing Director
3	Mr.Chanachai	Chutimaworaphan	Executive Director
4	Mr.Narong	Chenlapwatanakul	Executive Director
5	Mr.Dhanadon	Sujiphinyo	Executive Director
6	Mr.Chalush	Chinthummit	Executive Director

Scope of Authority and Responsibilities of the Executive Directors

Board of Directors' Meeting No. 7/2010 on July 29, 2010 has approved the scope of Authority and Responsibilities of the Executive Directors as follows:

1. Operation and administration of the company under the rules, regulations, policies, objectives, regulations, orders and resolutions of the Board of Directors and/or resolutions of the shareholders of the company in all respects.
2. Consider and determine the policy, the direction, the business strategy, the budget planning, Human Resources Management of the company and the investment in information technology. Including regulatory controls the operation of the working group.
3. Consider allocating the annual budget according the management proposal before it is presented to the Board for consideration and approval.
4. Is authorized to approve to spending the money in the process of business, such as purchasing raw materials, machinery, vehicles, property, auctions, etc. Not exceeding the limit 10 million baht for each item and approval for the purchase of raw materials including wheat not exceeding 250 million baht for each item. And report to the Board of Directors.
5. Approve of the major capital investment expenditures as provided in according the annual budget by the Board of Directors or got approval in principles.
6. Is authorized to approve the loan, acquisition of credit, issuance of debt, including loans or guarantees of loan, or any loans of company.

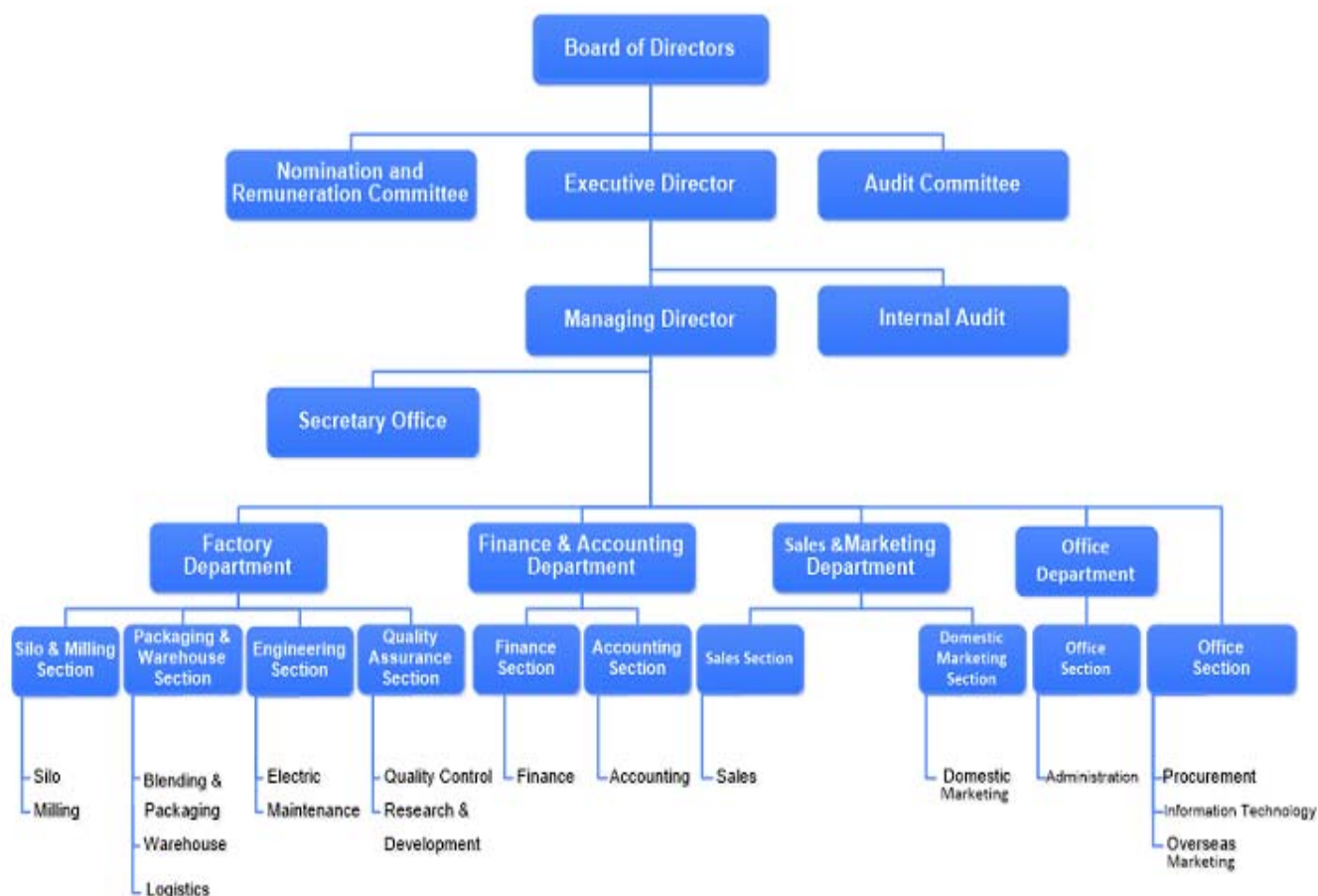
7. To be an advisory of management with regard to the financial and marketing policies, personnel management and the other operations.
8. Determine the organizational structure, organizational management, including the appointment, hiring, assignment, transfer, salary, commissions, bonuses of the staff and dismissal.
9. Review and give advice to the Board of Directors on the structure, roles and responsibilities, and practices of the Board of Directors. Review and make appropriate recommendations in keeping it up-to-date.
10. Any other operations assigned by the Board of Directors occasionally

The Authority and Responsibilities of the Executive Directors is excluding the conflict approval or related with benefits of all stakeholders or subsidiaries under the rules of the Stock Exchange of Thailand or according to the Securities and Exchange Commission or the laws relating to the business of the company.

Executive Directors

Organizational Chart

At the Board of Directors' Meeting No. 11/2015 on November 26, 2015



Remark : Dharmniti Auditing Co., Ltd is responsible for internal control

As at December 31, 2015 The Executive Directors comprises 5 persons as follows:

No.	Name List		Position
1	Dr.Charnkrij	Dejvitak	Managing Director
2	Miss Surangrat	Jongprosopsap	Assistant Factory Director
3	Mrs.Waewta	Natphan	Assistant Finance & Accounting Director / Company Secretary
4	Mr.Suntorn	Sooksamran	Assistant Sales Director
5	Miss Masarat	Puttipeerawit	Seles Manager

Scope of Authority of the Managing Director

Board of Directors' Meeting No. 7/2010 on July 29, 2010 has approved the scope of authority of Managing Director as follows:

Executive Directors are empowered with an authority to operate business under the policy, strategies and goals directed by the Board of Directors, which approves a clear and definite scope of responsibilities to ensure transparency and flexibility of operation.

The scope of authority and responsibilities of the Managing Director as follows:

1. Oversee operation and/or daily administration of the company.
2. Operation or performance in accordance with the policies, plans and budgets have been approved by Board of Directors and/or Executives of the company.
3. Authorized to manage the Company's operations in accordance with the policies set by the Board; take responsibility for the Company's operating results; control expenses and capital expenditures within the limits approved by the Board in the annual operating plan.
4. To have the power to mandate period And/or assigned to another person to work only, instead, by the authority range and/or the assignment is under the scope of authorization by the power of attorney of this contract and/or according to the regulations, regulations, or order the company's Board of Directors and/or the company increasing continuously.
5. Follow up and evaluation of the company regularly to prevent the risk of such factors whether internal and external.
6. Consider to enter into a contract with the company's business, and various contracts which benefits of the company. As well as the steps and ways of developing such a contract to present to the Board of Directors.

7. Approve the spending money in the normal business of the company, such as contact about the bank account
The purchase of raw materials in the production The limit for each item, no more than 100,000 baht, respectively.
8. Allocate money reward, benefits, or various rewards which has been approved by the Board of Directors for employees or any person that do business for the company.
9. Consider hiring employees and placement, as well as the transfer of cross-functional/division/Department or retire employees. Including set the wages compensation, bonuses and welfares for all employees except Executive Directors.
10. Determining the goals, policies, plans, budgets and operating direction of the company. As well as controlling and overseeing the man of the management or any other persons, which was assigned to perform according to the defined policy effectively and effectiveness.
11. Any other operations assigned by the Board of Directors occasionally

The Authority and Responsibilities of the Managing Director is excluding the conflict approval or related with benefits of all stakeholders or subsidiaries under the rules of the Stock Exchange of Thailand or according to the Securities and Exchange Commission or the laws relating to the business of the company.

The Company Secretary

The Board of Directors of T S FLOUR MILL PUBLIC COMPANY LIMITED appointed Mrs.Waewta Natphan as the company secretary since October 29, 2015. The qualifications of the Company Secretary announced in attached 1

The Remuneration for the Board of Directors and Executives

Director Bonuses

(A) The Remuneration for the Board of Directors

Board of Directors Meeting No. 1/2015 on April 23, 2015 set the highest limit for remuneration and bonuses of the Directors, the Audit Committee and Board of Directors in 2015. Assign to the Nomination and Remuneration Committee to consider allocation of Remuneration from the maximum limit of shareholders to approve a monthly remuneration for each of you as appropriate. The year 2015 has been approved by 13,902,000 baht which includes allowances and bonuses of Committee members. The details of the Remuneration for the Board of Directors year 2015 as follows:



No.	Name List	Position	Remuneration (Baht)				
			The Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	Bonus	Total
1	Mr.Pricha Attavipach	Chairman	420,000	-	-	140,000	560,000
2	Mr.Prapas Chutimaworaphan	Director Executive Chairman	300,000	-	-	100,000	400,000
3	Mr.Somchai Vanavit	Director Chairman of Audit Committee	300,000	120,000	-	140,000	560,000
4	Mr.Chanachai Chutimaworaphan	Director Executive Director	300,000	-	-	100,000	400,000
5	Dr.Charnkrij Dejvitak	Director Executive Vice Chairman	300,000	-	-	100,000	400,000
6	Dr.Supasorn Chayowan	Director Nomination and Remuneration Committee	300,000	-	5,000	100,000	405,000
7	Mr.Somchai Chinthummit	Director Nomination and Remuneration Committee	300,000	-	5,000	100,000	405,000
8	Mr.Chalermchai Wongwaiwit	Director Audit Director	300,000	60,000	-	120,000	480,000
9	Mr.Anek Khamchum	Director Audit Director Nomination and Remuneration Committee	300,000	60,000	5,000	120,000	485,000
10	Mr.Narong Chenlapwatanakul	Director Executive Director	300,000	-	-	100,000	400,000

No.	Name List	Position	Remuneration (Baht)				
			The Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	Bonus	Total
11	Mr.Dhanadon Sujiphinyo	Director Executive Director	300,000	-	-	100,000	400,000
12	Mr.Chalush Chinthummit	Director Executive Director	300,000	-	-	100,000	400,000
Total			3,720,000	240,000	15,000	1,320,000	5,295,000

Others Remuneration

- None

(B) The Remuneration for the Board of Executive Directors and Executives

Board of Directors and Executives Bonuses

Remuneration	2015	
	No. of the Board of Directors and Executives	Amount (Baht)
Salary	12	13,943,973
Telephone bill & Car Depreciation	12	59,800
Bonus	12	4,589,867
Provident funds	12	182,339
Benefits	12	26,449
Total	12	18,802,428

Remark :

- “Executive” In this means Executives of the company no.1-4 according to the definition in the post of the Securities and Exchange Commission. Excluding the directors that are not management positions,comprises 6 managing directors. There are Managing Director, Finance and Accounting Manager, Assistant Factory Director, Assistant Sale Director, Marketing Manager and Secreatary Manager
- The company and employees of the company jointly established the provident fund by effective date since September 1, 2009.

Others Remuneration

1. Managing Director : A car of position, driver and the petrol
2. Assistant Factory Director : A car of position and the petrol
3. Assistant Finance & Accounting Director : A car of position and the petrol
3. Assistant Sales Director : A car of position and the petrol

Corporate Governance

Boards of directors aim to conduct a business under good standard of Securities and Exchange Commission Thailand and The Stock Exchange of Thailand as main factors to develop an organization.

The policy of business control

Boards of directors pay attention to well business operation by delegating 3 sections which are Audit Committees, Boards of Directors, and Risk Management Committees. Audit committees take responsibility of monitoring company's business to deliberately scrutinize tasks for the sake of shareholder's benefits with transparency, and honesty. All committees have qualification and responsibility as required by The Stock Exchange of Thailand which had been written.

1. The right of shareholder

Board of directors will facilitate shareholders by treating everyone with equity without keeping information away shareholders. Boards of directors will set the date, time, place, and topics as well as important information to shareholders before the meeting date. Boards will also publish that information via the Internet on company's website in order to give time for shareholders before making a decision at the meeting. Boards also give an opportunity for shareholders to share their opinions, ask questions, and have a vote. Besides, boards allow shareholders send any questions that they want to ask in the meeting in advance. All the committees including all chairman will attend a meeting as well.

2. Treating shareholders with Equity

The Company realizes that protecting fundamental right of shareholders is essential. All shareholders include boards' shareholders, shareholders, foreign shareholders, minor shareholders. The Company will work with efficiency for its credibility so that the future invertors will be willing to invest in company's business.

- The Company sets an annual meeting with shareholders within 4 months since the fiscal year. If there are any urgent issues need to have meeting related to gain lost profits of shareholders, the Company will call a meeting case by case.
- The Company gives a chance for minor shareholders to nominate a person as board of directors. If any shareholders could not attend the meeting, they can empower to a person coming to vote instead. It is better for shareholders to offer an independent committee in the case of empowerment.
- The committees formulate policies for protecting the Company in case board of directors makes use of company's information for their own benefits illegally. These policies have been written and informed to everyone in order to abide by the policy strictly.
- The boards of directors should let all committees and executives reveal their information related to gain and lost benefits so that the committees and the boards will give careful consideration for company's benefits. The committees who gain or lose among those transactions should not be part of a making decision process.

3. The role of a Interested Person

The Company emphasizes on monitoring and concerning about everyone who affects the company's profit and deficit such as employees, customers, shareholders, including a society and the environment. The committees have strong confidence that those people will get the best taking care from the company thoroughly by mentioning everyone step by step in order not to make any mistake. The boards of directors will report other information apart from financial report showing that all those people will get the good taking care of as a part of company's decision-making process.

Nonetheless, the committees clearly formulate method as a guide line in order to satisfy people who affect the company's profit and deficit. As a result, boards of committees, executives, and employees will adopt methods as followed:

Shareholders : The executives have strong determination conducting a business in order to satisfy shareholders by:

- Working with honesty, sincerity, fairness to shareholders both major and minor shareholders for their own benefits.
- Running the Company with consciousness and prudence in order to prevent risks from shareholders in the future.
- Adopting knowledge, management skill at the best of their ability in any situations.
- Managing company's assets properly by not letting them be stolen or destroyed.
- Always reporting the Company's situation with full details as well as informing all shareholders of company's future both positive and negative sides which is based on true and sufficient information.
- Not taking advantage of the Company for themselves by using company's information that has not been in the public.
- Not leaking secret information to competitors.
- Not doing anything which cause harm for company's interest.

Employees : The Company treats everyone equally as followed:

- Having a good remuneration system for employees which can be compared with other same group of industry.
- Maintaining good working environment in order to safe for employees.
- Having human resource department to appoint, transfer, punish, and give a reward to employees with fairness by being based on employee's knowledge and ability.
- Paying attention to employee's knowledge and ability by giving them opportunities to improve them thoroughly.
- Listening opinions and suggestions based on employee's skills and knowledge.

Traders :

- Implementing the contract of all traders and avoiding cheating in any situations.
- Abiding by regulations without tarnishing competition's reputation.

Customers : The Company will take care and take full responsibility for customers by:

- Providing high quality of all products.
- Revealing full product's information and services without any distortion by concerning about the benefits of customers.
- Providing product insurance under the suitable conditions to the customers.
- Not delivering products and services to the customers if they are any defects that may harm consumers. Also not delivering products or services which are low quality to the customers
- Not letting customers misunderstood about the quality, price, quantity or any other conditions of the products and services.
- Setting customer service system allowing customer to complain about products and services of the Company so that customers will immediately receive what they want.
- Keeping customers' secret and not illegally using customers' information for company's benefit.
- Reducing cost of production process by maintain high standard of products and services to increase the benefits to customers.
- Keeping promises that have made with customers seriously. If the Company cannot make it happened, the Company should immediately inform customers in advance so that the Company and customers will find another solution.
- Not profiteering or not setting unfair price to customers.

Competitors : The Company will well perform under the rule of competition by:

- Following the rule of competition
- Not seeking competitor's secret with illegal or inappropriate way.
- Not trying to destroy reputation of competitors by making an accusation.

Public Society : The Company takes a responsibility for society and the environment by:

- Not doing anything that hazard to the environment.
- Always supporting in any activities helping to create a better society.
- Seriously educating moral responsibility towards employees of all levels.
- Controlling to abide by laws.
- Not helping or supporting in breaking laws.
- Cooperating with related departments and reporting any information about breaking or not following the regulations.

Besides, the committees clearly illustrate in the case of whistle-blowing that there are corruption, cheating, breaking rules and regulations. These issues will directly run by independent committees or audit committees in order to examine, investigate and will report to boards of directors.

Stakeholders who wish to contact the company directly and not through the company's management. To post comments About the business, including raising concerns or complaints such as financial reporting incorrect. Illegal or unethical acts Or the system of internal control deficiencies, etc., to be sent to the audit committee of the company directly as follow.

- Mail : Mr.Somchai Vanavit

Chairman of Audit Committee

T S Flour Mill Public Company Limited

90/9 Moo 1, Poochaosamingphrai Rd., Samrongklang, Phapradaeng, Samutprakarn, 10130

- E-mail : vanavit@yahoo.com

Remark : Stakeholders to Submit a Tip and complaints must not be named in any way. And the Board of Directors of the Company continue to monitor data or facts as information is received or complaints were presented to the Board of Directors received within 30 days from the date of notification.

Subcommittees

Board Structure

Board of Directors Consists of 4 board include. Board of Director, Audit Committee, Nomination and Remuneration Committee and Executive Director The Board of Directors Shall consist of not less than 5 members elected by the AGM. The directors of not less than one-half of the total. Directors must be resident in the Kingdom. And an independent committee of not less than one in three of its members. The Board of Directors consists of 12 directors and 4 of them are independent directors The Chairman of the Company The Independent No tenure as Managing Director And the separation of powers and duties of the President. And Executive apart the obvious. The Committee shall consist of at least three independent directors, at least one person who has knowledge and experience in financial and / or accounting. The Nomination and Remuneration duty recruiting qualified candidates for the position to be presented to the Board for consideration in the case of a vacancy and Set and review policy, guidelines and appropriate remuneration for Directors and the Executive Committee shall serve as the management, under the authority delegated by the Board of Directors.

Chairman is responsible as the leader of the committee to monitor the administration of the executive committee. And Other Committees Achieve its objectives as planned. and called for the board meeting. And as Chairman of the Board of Directors. And the shareholders of the Company The Chairman shall have a casting vote in the event that the Board of Directors has a casting vote two sides are equal.

Scope of Authority of the Managing Director

Board of Directors' Meeting No. 7/2010 on July 29, 2010 has approved the scope of authority of Managing Director as follows:

The Managing Director are empowered with an authority to operate business under the policy, strategies and goals directed by the Board of Directors, which approves a clear and definite scope of responsibilities to ensure transparency and flexibility of operation.

The scope of authority and responsibilities of the Managing Director as follows:

1. Oversee operation and/or daily administration of the company.
2. Operation or performance in accordance with the policies, plans and budgets have been approved by Board of Directors and/or Executives of the company.
3. Authorized to manage the Company's operations in accordance with the policies set by the Board; take responsibility for the Company's operating results; control expenses and capital expenditures within the limits approved by the Board in the annual operating plan.
4. To have the power to mandate period And/or assigned to another person to work only, instead, by the authority range and/or the assignment is under the scope of authorization by the power of attorney of this contract and/or according to the regulations, regulations, or order the company's Board of Directors and/or the company increasing continuously.
5. Follow up and evaluation of the company regularly to prevent the risk of such factors whether internal and external.
6. Consider to enter into a contract with the company's business, and various contracts which benefits of the company. As well as the steps and ways of developing such a contract to present to the Board of Directors.
7. Approve the spending money in the normal business of the company, such as contact about the bank account The purchase of raw materials in the production The limit for each item, no more than 100,000 baht, respectively.
8. Allocate money reward, benefits, or various rewards which has been approved by the Board of Directors for employees or any person that do business for the company.
9. Consider hiring employees and placement, as well as the transfer of cross-functional/division/Department or retire employees. Including set the wages compensation, bonuses and welfares for all employees except Executive Directors.
10. Determining the goals, policies, plans, budgets and operating direction of the company. As well as controlling and overseeing the man of the management or any other persons, which was assigned to perform according to the defined policy effectively and effectiveness.
11. Any other operations assigned by the Board of Directors occasionally

The Authority and Responsibilities of the Managing Director is excluding the conflict approval or related with benefits of all stakeholders or subsidiaries under the rules of the Stock Exchange of Thailand or according to the Securities and Exchange Commission or the laws relating to the business of the company.

Appointment of Director Is subject to the terms set forth by the annual general meeting, every time. Directors must retire from office at least 1 to 3 the number of directors is divided into three parts are not, then the number nearest to 1 in 3. The Directors to retire in the first year. And second years after the registration of the lottery, who is the second year after the director of the longest resign. Directors who retire may be eligible for another company to provide for the disclosure of the records of everyone in the annual report. To shareholders has been generally.

We provide the Company Secretary under section 89/15 of the Securities Exchange Act of 2008. With the duties and responsibilities for the preparation and filing. Directors Notice of Meeting of the Board And shareholders Board of Directors And shareholders And the Company's Annual Report And monitor the implementation of resolutions of the board of directors / shareholders to follow. And file the report on the interest of the directors. Or management And send a copy to the Chairman of the Board and Chairman of the Audit Committee within 7 days from the date of receipt of the report and to advise the committee on laws. And regulations Related As well as supervise the Company's Board of Directors and management practices followed correctly. And care for the disclosure of information under the Regulations of the Exchange and the SEC. Including laws. Related. As well as liaise with regulatory agencies involved. Other actions by the Board of Directors. And / or notification of the Capital Market Commission.

Scope of Authority and Responsibilities of the Board of Directors

Directors' Meeting No. 5/2010 on May 27, 2010 has approved the scope and authority and responsibilities of the Board of Directors as follows:

1. Determining the goals, policies, plans, budgets and operating direction of the company. As well as controlling and overseeing the man of the management or any other persons, which was assigned to perform according to the defined policy effectively and effectiveness. Overseeing to ensure that management or any other persons, have complied with the Commission's policies. Acting in a best interest of shareholders.
2. Directing the Company's operation in compliance with the laws, objectives, the Company's Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings in good faith and with care to preserve the highest interests of the Company and fairness to all involved parties.
3. Auditing and approving policies and procedures for large investment projects of the Company according to the proposed by the sub-committee and/or the management.
4. Acting in a best interest of shareholders and disclosing information to shareholders accurately, completely, and transparently.
5. Reviewing the operating plan, strategies, budget, and business goals and reviewing management development plan and the succession plan for the board while overseeing to ensure the effective performance assessment of management on an annual basis.
6. Appointment, assignment or recommendation the sub-committee or working group to consider or act in a particular subject, the Board of Directors deems appropriate.

7. Implementation of the company's internal audit measures to achieve an effective internal control system. Including risk management and reliability of financial reporting by providing internal audit unit is monitored and conducted in collaboration and coordination with the Audit Committee.
8. Preparation of the Annual Report and responsible for the preparation and disclosure the Statements of Financial Position and results of operations in recent years to propose to the shareholders' meeting.
9. Arrangement the annual general meeting of shareholders within four months after the end of year.
10. Considering and approval any necessary benefits of the Company.

The followings, the Board of Directors shall be made only when approved by the the shareholders' meeting are:

- A) Any matter required by law to be resolved by the general meeting of shareholders. And
- B) Any matter which the Director has a conflict of interest and in the law, or the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand, specified must be approved by the general meeting of shareholders.

The decision of the Board to proceed in the followings. The Board will act only when approved by the shareholders' meeting by a vote of not less than 3 in 4 of all votes.

- A) The sale or transfer all or a substantial part of the company to other persons.
- B) The purchase or acquisition of another company.
- C) The amendment or termination all or a substantial part of the company. Assignment to others to manage the businesses of the company or merger with another person. Its purpose to share profit and loss.
- D) The amendment of the Memorandum of Association or Articles of Association.
- E) Recapitalization, reduction of capital or stadiums of the company.
- F) The merger or dissolution of the company.
- G) Any other specified under the provisions of the Securities and Exchange Commission and/or the Stock Exchange of Thailand that have been approved by the Board of Directors and the shareholders' meeting by a vote.

In any matter in which the director has an interest or a conflict of interest with the company, must be not vote on the matter.

The Board of Directors also has the duties of overseeing the Company's compliance with the Securities and Exchange Commission, requirements of the Stock Exchange such as related transactions, acquisition or disposition of assets, under the rules of the Stock Exchange of Thailand or according to the Securities and Exchange Commission or the laws relating to the business of the company.

The role, duties, and responsibilities of board of directors

- Considering, giving opinions of any topics according to laws.
- Evaluating committees' performance and regulating remuneration for directors and executives.
- Illustrating company's visions and talking responsibilities for company's operation with prudence.
- Reconsidering all strategies, policies including financial purpose of the Company as well as the risk, the budget, the operation of the Company.
- Having confidence of company's accounting, financial report is reliable and can be examine internal system to estimate the operational system.
- Having a risk policy by delegating to executive department in order to manage, and report to boards of directors. The risk policy will be adopted for whole organization with the annual estimation once a year.
- Keeping an eye on the operation, solving problems in terms of conflict of interest. Having policies especially for people affecting profit and deficit of the company; however, those people should not be part of a decision-making process for the sake of the company and shareholders.
- Formulating policies through a document by evaluating policies at least once a year.

The meeting of boards of directors

- Setting the meeting in advance and letting all directors know so that they will arrange the time attending the meeting.
- The number of meeting will be arranged by the boards of directors.
- Boards of committees devote themselves to taking care the Company tirelessly, also regularly attend meetings. The meeting needs a quorum of half of whole committees.
- The committees will receive documents of the meeting earlier so that they will have enough information before making a decision or voting in a meeting.
- Boards of directors reach significant information so as to have knowledge about the company's services and operation. The boards of directors may also ask some opinions from outsource independent consultants if necessary.
- Minutes of meetings have to be done for every meeting in order to refer in the future.

The evaluation of Boards of Directors

- The Company provides a self-assessment as a framework to monitor the performance of the duties of the Board of Directors annually in February 1 of each year. And each director to submit the assessment of the Company Secretary. To collect, evaluate and inform the Commission has been informed. To determine the improvement in the running.

Remuneration of Boards of Committees

- The Company appropriately sets remuneration for all committees and directors based on their responsibilities and duties by reasonably comparing with the rate from other companies (wheat flour industry). If there are any changes, it is important to report to boards of directors to seek approval.
- Boards of directors report all remuneration of directors, committees, and executives in the chart of annual report and financial report of the Company (From 56-1).

The development of Committees and executives

- Boards of committees will support and train committees, executives and directors to improve the organization by attending many courses of [\(Thai Institute of Directors : IOD\)](#).
- In the case of new boards of directors, every time the Company will provide important information for new boards, introduce the type of company's business to understand and work for the Company effectively.

Audit Committees

Audit Committees of the company is an independent department which has savants as independent directors without relating to major shareholders or other committees. Additionally, it is necessary for audit committees to have full qualifications following the Stock Exchange of Thailand and / or the Securities and Exchange.

On Dec 31, 2015 there are 3 audit committees comprising of :

No.	Name	Position
1	Mr.Somchai Vanavit	Chairman of Audit Committees
2	Mr.Chalermchai Wongviawit	Audit Committee
3	Mr.Anek Khamchum	Audit Committee

Remark : The secretary of Audit Committees is Mrs.Waewta Natphan The company appointed him since

Mr.Somchai Vanavit and Mr.Chalermchai Wongviawit are Audit Committees who have enough knowledge to monitor company's financial statement.

Limitations, duties, and responsibilities of Audit Committees

The Ccompany's meeting No.5/2010 in November 27, 2010 had described limitations of Audit Committees as followed:

1. Audit Committees has to check, investigate financial report with transparency by working with an auditor from outsource and other boards preparing financial report. The audit committees may suggest the auditor for examining any topics which are important.

2. Audit Committees has to examine the company's system to run efficiently in terms of internal-systems and internal-control systems. Audit Committees will also appoint, removing, cancelling any persons who are related to internal audit function.
3. Audit Committees has to assure the company that it will abide by rules of the Securities and Exchange Commission Thailand, and the company's business laws.
4. Audit Committees has to examine, select, appoint independent auditor to Audit Company's account as well as reasonably offer remuneration for independent auditor. Audit Committees will have to attend a meeting with the auditor without any management department of the company at least once a year.
5. Audit Committees has to consider any documents related to gain and loss's profit of the company as required by the Securities and Exchange Commission Thailand for the sake of company's benefits.
6. Audit Committees has to do a report mentioned in an annual report as followed:
 - a) An opinion of the accuracy, reliability of financial report of the company.
 - b) An opinion related to the adequacy of company's internal-system.
 - c) An opinion related to rules and regulation of Securities and Exchange Commission Thailand or other related laws.
 - d) An opinion related to a suitability of an auditor.
 - e) An opinion of company's gain and lost benefits.
 - f) Numbers of meetings of audit committees and the attending of each audit committees.
 - g) Opinions or observations that audit committees received as required by a charter
 - h) Other topics that shareholders and investors should know under the responsibility of boards of Director.
7. Any other operations as required by boards of Director delegating to audit committees and audit committees has approved.
8. Audit Committees have the authority to examine, investigate in any topics which can affect to company's finances or overall operation as followed:
 - a) Conflict of Interest
 - b) Corruptions or the defective internal control system
 - c) Violate the laws of Securities and Exchange Commission Thailand or other related laws.

The audit committees have the authority to use outsource if it is necessary such as independent outsource under the corporate spending so as to accomplish the goal. The audit committees has to report the result to boards of directors as well .

Nomination and Remuneration Committees

In December 31, 2015 there were 3 nomination and remuneration committees following the table below:

No.	Name	Position
1	Mr.Anek Khamchum	Chairman of Nomination and Remuneration Committees
2	Dr.Supasorn Chayowan	Nomination and Remuneration Committees
3	Mr.Somchai Chintummit	Nomination and Remuneration Committees

Limitations, duties, and responsibilities of Nomination and Remuneration Committees

The meeting of boards of director No.4/2012 in April 19, 2012 had described limitations of Nomination and Remuneration Committees as followed:

1. Finding the right person to be a committee in the case of an unfilled vacancy.
2. Examine the Company's structure like committee's size and give some suggestions in case it needs to be changed.
3. Evaluate the committee's performance every year in order to report to the board of directors.
4. Formulate and examine company's policies, setting remuneration reasonably for all committees and directors by comparing with the rate from other companies (wheat flour industry). If there are any changes, it is important to report to boards of directors to seek approval.
5. Other duties delegated from board of directors.

Executive Boards

In December 31, 2015, there are 6 executive boards of the Company as followed:

No.	Name	Position
1	Mr.Prapas Chutimaworapan	Executive Chairman
2	Dr.Chankrit Dejvituck	Executive Vice Chairman & Managing Director
3	Mr.Narong Chenlapwatanakul	Executive Committee
4	Mr.Chanachai Chitimaworapan	Executive Committee
5	Mr.Dhanadon Sujiphinyo	Executive Committee
6	Mr.Chalush Chinthummit	Executive Committee

Limitations, duties, and responsibilities of Executive Boards

The meeting of board of directors No.7/2010 in July 29, 2010 had described limitations of Executive Boards as followed:

1. Strictly manage the company following objectives, policies, regulations, orders, of director's opinions from the meeting or shareholder's opinions.
2. Formulate policies, strategies, company budgets, human resource department, information technology, public relation in order to achieve company's goal.
3. Examine annual budget according to management division offering; then offer to board of directors in order to receive approval.
4. Examine operational budgets such as buying assets, buying raw material, buying machinery, buying vehicles etc. Each budget will not over than 10,000,000(ten million) baht. For raw material like wheat rice, it will be received budget for each list no more than 250,000,000 (two hundred and fifty million) baht. All the budgets need to report to board of directors.
5. Approve an important expense in terms of company investment mentioned in annual expense budgets by board of directors.
6. Approve the loaning money, the credit line, debt securities, also loan securities of the company.
7. Being board of consultants in terms of financial policy, marketing policy, human resource development, etc.
8. Setting company's structure, the power of organization management. It includes hiring, removing, cancelling people as well as setting remuneration and bonus of staff and directors.
9. Having an authority to delegate responsibilities to committees or any person under the boards of directors' control. The board of committees can change that responsibility anytime they think it is proper.
10. Other duties delegated from board of directors.

The power of board of directors excludes any topics that may be related to conflict of company' interest or any interest those conflicts with subsidiary as required by the Stock Exchange of Thailand. Those issues need to offer to board of directors and shareholders to make a decision.

Revealing information and transparency

Board of Directors pays attention to revealing information that affects a decision-making process of investors and people affecting company's profit and deficit. Therefore, board of directors has a policy to reveal information related to financial information, turnover of the Company with full details showing overall operation of the Company.

For investor's relation, boards of directors assign the secretary of the Company to communicate with and reveal information with transparency, accuracy, precision and in time for general investors, analysts, and media via newspapers, a company's website. The information will be updated both in Thai and English as well as by the Stock Exchange of Thailand in an annual report.

Furthermore, there is "investor's relation" topic via a company's website so as to communicate with shareholders or any people who interested in the Company by leaving comments, suggestions.

Recruitment and appointment of directors and senior management levels.

Appointment of Director Is subject to the terms set forth by the annual general meeting, every time. Directors must retire from office at least 1 to 3 the number of directors is divided into three parts are not, then the number nearest to 1 in 3. The Directors to retire in the first year. And second years after the registration of the lottery, who is the second year after the director of the longest resign. Directors who retire may be eligible for another company to provide for the disclosure of the records of everyone in the annual report. To shareholders has been generally. Company directors appointed by the shareholders' meeting. By the Nomination and Remuneration Committee is indiscriminately consider a person with knowledge, qualifications and experience. Including the qualifications of Section 68 of the Companies Act 2535. And the Notification of the Securities and Exchange Commission to propose to the Board of Directors for consideration. The regulations that the Board of Directors. Must have not less than five people by a majority vote and pursuant to the following.

The element of recruiting board of directors

At present, board of directors has illustrated the element of recruiting or descending board of directors as followed:

1. Board of directors comprises 5 committees (not less than 5 committees) who are voted by shareholders. Besides, voted committees more than 50 percent (3 committees) needs to be situated in Kingdom of Thailand.
2. The Company aims to have professional independent committee as much as possible meaning that it requires independent committees no less than 1 out of 3 of whole committees.
3. Appointing committees should be with transparency and clearness by having full information of appointed committees helping a decision-making process of shareholders.
4. All information and background of committees need to be clarified through annual report allowing shareholders receive information.
5. Having a secretary of the Company helps inform information of laws and regulations that committees should know and perform. Besides, the secretary will make the committees opinions happen.
6. Obviously illustrating authority and functions between boards of directors and committees.

7. Shareholders will vote for the boards of directors by using majority vote as followed:
 - (1) A shareholder has ballots relying on the units of share that he has.
 - (2) Each shareholder must votes by using all his ballots. The vote could be either a group or a person; however, shareholders can vote one at a time. Shareholders cannot separate the vote into two parties.
 - (3) The person who wins majority vote will be named a committee by comparing to the ballots that he has got. If there is the same score of the vote, the chairman of board of directors will make a last vote and decide who should get the position.
8. An annual meeting of common stock of shareholders, committees must resign from positions 1 out of 3 by considering the person who being in the longest position. Nevertheless, the one who resign can be selected in the position again which is possible.
9. Other reasons that make committees vacate their positions:
 - (1) Death
 - (2) Resignation
 - (3) Lack of qualification or have any qualifications related to article 68 of Public Limited Companies Act in 1992
 - (4) The opinion from shareholders that a person needs to leave from his position
 - (5) A court order to resign
10. In case there is a vacant position of board of directors due to other reasons which is not related to a normal reason the board of directors will elect a person be in that position as a committee for the next meeting only if he will not have any qualifications related to article 68 of Public Limited Companies Act in 1992. However, if the vacant position has only two months left, the new committee will be in that position only two months. Being appointed a position requires the vote three out of four of the left committees at that time.
11. In case all boards of directors leave their position, they are allowed to take charge of their positions to maintain the Company until there are new boards of directors. If all boards of directors leave position according to the court, it is obliged to make a meeting so that shareholders will select new boards of directors. This process must be done within one month since they leave their position by sending letters to all shareholders 10 days earlier. It is also obliged to advertise this meeting in a newspaper at least 3 days before the meeting has started by advertising all 3 days.
12. The meeting will vote to reject any committees so that they have to resign from their positions. This vote will be possible only it has vote 3 out of 4 from shareholders. The shareholders also have to have shares more than 50 percent of the whole company after combining shares together.

Internal data's protection

The Company has policies that boards, committees, executives are not allowed to leak significant internal information and information that has announced in the public for their own benefits or anyone who related to including for buying company's shares. The Company implements policy in order to protect misuse internal information as followed:

1. The Company will inform the directors and executive of duties of reporting shareholding of themselves, their spouses, and children who are minors (have not reached legal age) under section 59 of Securities and Exchange Commission Act B.E. 2535 (1992) and the Notification of the Office of the Securities and Exchange Commission No. SorJor. 12/2552 re: Preparation and Disclosure of Report on Shareholding of Directors, Executives and Auditors and punishment under section 275 of the Securities and Exchange Act B.E.2535 (1992)
2. The Company specifies that its directors and executives report change in their shareholdings to the Office of the Securities and Exchange Commission under section 59 of the Securities and Exchange Act B.E. 2535 (1992) and the Notification of the Office of the Securities and Exchange Commission No.SorJor.12/2552 re: Preparation and Disclosure of Report on Shareholding of Directors, Executives and Auditors and send a copy of the report to the Company on the same day such report is sent to the Office of the Securities and Exchange Commission.
3. The Company prohibits its directors, executives or operators who lean internal data from disclosing the same to third parties or person with no related duties specifies that they refrain from trading shares of the Company one month prior to the Company disclosing its financial statement or status including other signify cant information to the public.
4. Performance and significant information which may affect the change of share price and the Company's financial statement shall be announced 45 days from the last day of the quarter and 60 days from the last day of the fiscal period.
5. The Company prevents use of its information by prohibiting persons from different agencies who is aware of significant information which has not been disclosed to the public from disclosing such information to unrelated agencies or persons.

Furthermore, the Company has set the punishment measures for persons who seek benefits from using internal information or disclosing it, causing the Company to suffer loss of reputation or damages. The Company will also coordinate with related regulatory organizations for legal action .

Remuneration of Auditors

The Company's auditors in 2015 by splitting are as follows

- (1) Remuneration of the auditor amounted to 615,000.00 baht.
- (2) Others fee amount 60,000.00 baht.

In 2015, Mr.Naris Saowalaksakul CPA No.5369 SAM NAK-NGAN A.M.C. Co., Ltd. as the auditors of the Company.

Compliance with good corporate governance principles in other matters.

The Company's compliance with corporate governance principles for listed companies. The company is using a self assessment for compliance with the corporate governance principles of the market operators to disclose the information.

The attendance of Directors on the Board of Directors in 2015 are as follows.

No.	Name	Audit Committee	The Nomination and Remuneration Committee	Executive Director	Attendance of shareholders
1	Mr.Pricha Attavipach	-	-	-	1/1
2	Mr.Prapas Chutimavoraphan	-	-	12/12	1/1
3	Mr.Somchai Vanavit	5/5	-	-	1/1
4	Mr.Chanachai Chutimavoraphan	-	-	4/12	1/1
5	Dr.Charnkrij Dejvitak	-	-	11/12	1/1
6	Dr.Supasorn Chayowan	-	1/1	-	1/1
7	Mr.Somchai Chinthummit	-	1/1	-	1/1
8	Mr.Chalermchai Wongwaiwit	4/5	-	-	1/1
9	Mr.Anek Khamchum	3/5	1/1	-	1/1
10	Mr.Narong Chenlapwatanakul	-	-	10/12	1/1
11	Mr.Dhanadon Sujiphinyo	-	-	9/12	0/1
12	Mr.Chalush Chinthummit	-	-	5/12	1/1

Employees

Number of employees

As at Dec 31, 2012, 2013, 2014 and 2015 The company has employees, excluding directors and executives, the first four from the Managing Director down. which can be separated as follows:

No.	Department	At Dec 31, 2012	At Dec 31, 2013	At Dec 31, 2014	At Dec 31, 2015
1	Production and maintenance	34	34	46	50
2	QA and R&D	9	8	13	12
3	Office	7	11	11	15
4	Account	5	4	6	7
5	Finance	4	4	4	5
6	Sale and marketing	5	10	12	12
7	Stock	8	9	9	16

No.	Department	At Dec 31, 2012	At Dec 31, 2013	At Dec 31, 2014	At Dec 31, 2015
8	Secretary	1	1	1	4
9	Managing Director Office	2	2	2	2
Total		82	75	83	123

The Remuneration for employees

Unit : Baht

Remuneration	2012	2013	2014	2015
Salary	14,086,366	15,490,104	18,295,707	23,843,592
Bonus	3,727,192	4,772,283	5,159,600	6,769,469
Overtime wage	1,894,615	2,634,979	2,848,268	3,297,249
Benefit	85,933	90,361	108,799	154,399
Provident fund and others	1,055,637	943,277	1,431,910	1,686,426
Total	20,849,743	23,931,004	27,844,284	35,751,135

Human Resource Development Policy

The company is committed to the development of human resources excellence. Due to the company recognizes that the human resources efficiency is a critical factor in business operations to be successful. Recognizing the importance of human resources of the company is evident from the 2nd mission of the company, which stated that the company's aim. "Encourages employees at all levels of leadership to the organization and create an atmosphere of learning".

The company is planning the annual training for employees to each department as necessary and appropriate, and enhance additional courses to maximize the potential for staff. By the training will be approved by the managing director. Training approaches are both coursework and practical training including the evaluation methods. The training course was focused on the development operating to the employees , are required by the company's standards. Such as the fundamentals of GMP/HACCP/ISO22000 and personal hygiene courses.



The Information of Boards of Director and Related Person

Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
1. Mr.Pricha Attavipach - Chairman of Board of Directors - Independent Committee	78	- The Certificate of Director Accreditation Program (DAP No. 107/2014) Thai Institution of Director (IOD) - Bachelor Degree of Industrial Engineering Chulalongkorn University - Master of Industrial Engineering and Management Oklahoma State University , USA Academic program - The National Defence College (No.32) - Finance for Non - Finance Directors (FND No. 8/2004) - Director Certification Program (DCP อนุมัติ 39/2004) - Audit Committee Program (ACP No. 11/2006)	0.21%	None	2008 – At present	Chairman	T S Flour Mill Public Company Limited
					2008 – At present	Chairman	Thai Sugar Terminal Public Company Limited
					2008 – At present	Chairman	T S Warehouse Co., Ltd.
					2008 – At present	Chairman	TSG Asset Co., Ltd.
					2008 – At present	Chairman	T S Oil Industry Co., Ltd.
					2008 – At present	Chairman	T S Transport and Logistics Co., Ltd.
					2004 – At present	Independent Committee/ Chairman of Audit Committee	Thai Rong Union Car Public Company Limited.
					2002 – At present	Independent Committee/ Audit Committee	The Siam Cement Public Company Limited
					2000 – At present	Chairman	Pan Paper Co., Ltd.
					2003 – At present	Chairman	Siam P.P. International Co., Ltd.
					2003 – At present	Chairman	Environment Plus and Paper Co., Ltd.
					2004 – At present	Chairman	Eak Rat Pattana Co., Ltd.
					2000 – At present	Chairman	Ruam Kit Anug Thong Klundsinka Co., Ltd.
					2008 – At present	Chairman	Namtarn Kaset Thai Co., Ltd.
					2002 – At present	Director	H.C>Starck Co.,Ltd.
					2004 – At present	Director	Committee bill. Ministry of Labour.
					At present	Academic Director	The Engineering Institute of Thailand Under H.M. The King's Patronage
					At present	House Chairman of University	CHAOPRAYA UNIVERSITY
					At present	Chairman	The foundation of Lady Punchuen Reunsiri



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
					At present 2011 - At present At present 2010 - At present	Chairman Director Chairman Director	Industrial Development Foundation Kased Thai Bio Power Co., Ltd. Kaset Thai Autahagum Nantarn CO., Ltd. S I Property Co., Ltd.
2. Mr.Prapas Chutimaworaphan - Director - Executive Chairman - Authorized Committee	78	- The Certificate of Director Accreditation Program (DAP No. 17/2004) Thai Institution of Director (IOD) - Secondary School at Bang-Bueng Industry	0.00%	The Father of No.4	2000 – At present 2000 – At present 2000 – At present 2000 – At present 2000 – At present 2000 – At present 2004 – At present 1976 – At present 1976 – At present 1976 – At present 1969 – At present 2003 – At present 1989 – At present 2004 – At present	Director & Executive Chairman Managing Director Executive Chairman Managing Director Managing Director Executive Chairman Managing Director Director & Senior Vice President Director & Senior Vice President Director & Senior Vice President Director & Senior Vice President Managing Director Director Director Director	T S Flour Mill Public Company Limited Thai Sugar Terminal Public Company Limited T S Warehouse Co., Ltd. TSG Asset Co., Ltd. T S Oil Industry Co., Ltd. T S Transport and Logistics Co., Ltd. Khon Kaen Sugar Public Company Limited. Namtarn Thamaga Co., Ltd. Namtarn New Krung Thai Factory Co., Ltd. Namtarn New Guang Sun Lee Co., Ltd. Ormnuch Gor-Sang Co., Ltd. Namtarn Korngan Power Plant Co., Ltd. Para Hi-tech Co., Ltd. Bangkok Boutique Hotel (Thailand) Co., Ltd.



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
3. Mr.Somchai Vanavit - Director - Independent Committee - Chairman of Audit Committee	67	- The certificate of Director Accreditation Program (DAP No.8/2004) - Director Certification Program (DCP No. 49/2004) Thai Institution of Director (IOD) - Bachelor Degree of B.B.A. Southeastern Louisiana University, U.S.A. - Master Degree of M.B.A. Southeastern Louisiana University, U.S.A.	None	None	At present 2006 – At present 2005 – At present 1983 – 2001 1981 – 1983 1979 – 1981 1974 – 1979 1973 – 1974	Chairman of Audit Committee Independent Committee/ Audit Committee Director/ Vice President Executive Vice President Director/ Executive Vice President Credit Manager Credit Manager Assistant Branch Manager	T S Flour Mill Public Company Limited Sabina Co., Ltd. K.C. Property Company Limited Nakorn Luang Bank Company Limited Finance and Securities Wartlee (Thailand Co., Ltd. Finance and Securities Cathey Trust Co., Ltd. Wang Lee Bank (Nakorn Thon) New Orleans Bank
4. Mr.Chanachai Chutimaworapan - Director - Executive Director - Authorized Committee	44	- The Certificate of Director Accreditation Program (DAP No. 37/2005) Thai Institution of Director (IOD) - Bachelor Degree of Engineering at Chulalongkorn University - Bachelor Degree Faculty of Law at Chulalongkorn University - Master Degree MBA at Tennessee University, USA - Master Degree of Industrial Engineering, USA - Master Degree of liberal arts	0.04 %	A son of No.2	2014 – At present 2007 – At present 2006 – At present 2006 – At present 2004 – At present 2003 – At present 2000 – At present 2000 – At present 2000 – At present 2000 – At present 2000 – At present 2000 – At present	Director Nomination and Remuneration Committee Director Director Director Director Executive Director Executive Director Executive Director Executive Director Executive Director Executive Director	KSL Real Estate Co., Ltd. Thai Sugar Terminal Public Company Limited Namtarn khokong Co., Ltd. Sugar Sawan Naked Co., Ltd. Korn Gan Alcohol Co., Ltd. KSL Material Supply Co., Ltd. T S Flour Mill Public Company Limited Thai Sugar Terminal Public Company Limited T S Warehouse Co., Ltd. TSG Asset Co., Ltd. T S Oil Industry Co., Ltd. T S Transport and Logistics Co., Ltd.



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
		Business of Law Chulalongkorn University			2012 – At present	Senior Vice President (Accounting and Finance)	Khon Kaen Sugar Public Company Limited.
					2003 – 2012	Assistant Vice President (Accounting and Finance)	
					2000 – At present	Senior Vice President (Accounting and Finance)	Namtarn Thamaga Co., Ltd.
					2000 – At present	Senior Vice President (Accounting and Finance)	Namtarn New Krung Thai Factory Co., Ltd.
					2000 – At present	Senior Vice President (Accounting and Finance)	Namtarn New Guang Sun Lee Co., Ltd.
					1996 – At present	Director	Ormnuch Gor-Sang Co., Ltd.
5. Dr.Charnkrij Dejvitak - Director - Executive Vice Chairman - Managing Director - Authorized Committee	42	- The certificate of Senior Executive of Capital Market Academy No.15 (CMA.15) - The certificate of Director Accreditation Program (DAP No. 79/2009) Thai Institution of Director (IOD) - The certificate of electric commerce Texas USA - The certificate of “Business culture in American style” California, USA - Doctoral Degree of Services and Changes Touro University International, U.S.A.	0.00% (0.00% belongs to his wife 1,200 Shares)	Son In Law of No. 2	2009 – At present	Executive Vice Chairman & Managing Director	T S Flour Mill Public Company Limited
					2015 - At present	Secretary	The listed company association of mai
					2014 – At present	University Affairs Committee of experts	Dhonburi Rajabhat University
					2014 – At present	Director	Capital Market Academy Alumni
					2014 – At present	Vice Chairman	The Federation of Thai Industries, Samutprakarn Chapter (Food Industry)
					2013 - At present	Executive Director	The listed company association of mai
					2012 – At present	President of Secretary	Capital Market Academy No. 15
					2012 – At present	Director	The Federal of Thai Industries
					2012 - 2014	Secretary of the Commission	Economic Commission., Senate Commerce and Industry.
					2012 – 2014	Advisory Board	The Federation of Samutprakarn Industries



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
		- Master Degree of the leadership and moral principles in an organization Saint Edward's University, U.S.A. - Master Degree of West Texas A&M University, U.S.A.			2009 – 2015 2009 – 2015 2009 – 2015 2009 – 2015 2009 – 2015	Executive Director Executive Director Executive Director Executive Director Executive Director	Thai Sugar Terminal Public Company Limited T S Warehouse Co., Ltd. TSG Asset Co., Ltd. T S Oil Industry Co., Ltd. T S Transport and Logistics Co., Ltd.
6. Dr.Supasorn Chayowan - Director - Nomination and Remuneration Committee	78	- The Certificate of Director Accreditation Program (DAP No. 77/2009) - Director Certification Program (DCP No. 112/2009) Thai Institution of Director (IOD) - Bachelor Degree of Animal Science Kasetsart University - Master Degree of Food Sci & Nutrition Brigham Young University - Doctoral Degree of Food Sci & technology Louisiana State University, USA	None	None	2009 – At present 2014 – At present 2009 – 2012 2006 – At present 2006 – 2012 2009 – At present 2009 – At present 2009 – At present 2009 – At present	Director Nomination and Remuneration Committee Executive Director Director Executive Director Director & Executive Director Director & Executive Director Managing Director Director & Executive Director	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited Thai Sugar Terminal Public Company Limited Thai Sugar Terminal Public Company Limited T S Warehouse Co., Ltd. TSG Asset Co., Ltd. T S Oil Industry Co., Ltd. T S Transport and Logistics Co., Ltd.
7. Mr.Somchai Chinthummit - Director Nomination and Remuneration Committee	63	- The Certificate of Director Accreditation Program (DAP No. 17/2004) Thai Institution of Director (IOD) - Diploma of Computer	0.00% (belong to Children immaturity 0.04%	An uncle of No.12	2011 – At present 2008 – At present 2008 – At present 2004 – At present	Nomination and Remuneration Committee Director Director Director & Senior Vice President	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited Thai Sugar Terminal Public Company Limited Khon Kaen Sugar Public Company Limited.



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
		Computer Collage, Germany - Mini MBA Thammasat University	Shares)		2008 – At present 2008 – At present 2008 – At present 2008 – At present 2004 – At present 2003 – At present 2003 – At present 1981 – At present 1980 – At present 1980 – At present 1980 – At present	Director Director Director Director Director Director Director Director Director & Senior Vice President Director & Senior Vice President Director & Senior Vice President	T S Warehouse Co., Ltd. TSG Asset Co., Ltd. T S Oil Industry Co., Ltd. T S Transport and Logistics Co., Ltd. Champion Fermentation Co., Ltd. Korn Gan Alcohol Co., Ltd. Namtarn Korngan Power Plant Co., Ltd. Racha Pong Churod C., Ltd. Namtarn Thamaga Co., Ltd. Namtarn New Guang Sun Lee Co., Ltd. Namtarn New Krung Thai Factory Co., Ltd.
8. Mr.Chalermchai Wongwaiwit - Director - Independent Committee - Audit Committee	59	- The certificate of Director Accreditation Program (DAP No. 84/2010) Thai Institution of Director (IOD) - Bachelor Degree of Engineering University of Hawaii, USA - Master Degree of Management (MBA) Sasin Graduate Institute of Chulalongkorn University	None	None	2010 – At present 2010 – At present 2010 – At present 2010 – At present	Audit Committee Managing Director Managing Director Financial Advisory	T S Flour Mill Public Company Limited Metropolis Property CO., Ltd. Finki-Thai Company Cathay Trust Company



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
9. Mr.Anek Khamchum - Director - Independent Committee - Audit Committee - Nomination and Remuneration Committee	56	- The certificate of Director Accreditation Program (DAP No. 85/2010) Thai Institution of Director (IOD) - Bachelor Degree of Law Ramkamhaeng University -Law of Institute of Legal Education of the Thai Bar - Master Degree of Law Ramkamhaeng University	None	None	2014 – At present	Nomination and Remuneration Committee	T S Flour Mill Public Company Limited
					2010 – At present	Audit Committee	T S Flour Mill Public Company Limited
					1984 – At present	Owner	Anake Kumchum Law's firm
10. Mr.Narong Chenlapwatanakul - Director - Executive Director - Authorized Committee	50	- The Certificate of Director Accreditation Program (DAP No. 62/2007) Thai Institution of Director (IOD) - Bachelor of Economist ThammasartUniversity	None	None	2011 – 2013	Nomination and Remuneration Committee	T S Flour Mill Public Company Limited
					2006 – At present	Executive Director	T S Flour Mill Public Company Limited
					2006 – At present	Executive Director	Thai Sugar Terminal Public Company Limited
					2006 – At present	Executive Director	T S Warehouse Co., Ltd.
					2006 – At present	Executive Director	TSG Asset Co., Ltd.
					2006 – At present	Executive Director	T S Oil Industry Co., Ltd.
					2006 – At present	Executive Director	T S Transport and Logistics Co., Ltd.
					2005 – At present	Director	Autsahagum Mitkased Co., Ltd.
					1999 – At present	Director	Wattanagul Oxygen Co., Ltd.



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
11. Mr.Dhanadon Sujiphinyo - Director - Executive Director - Authorized Committee	49	- The Certificate of Director Accreditation Program (DAP No. 76/2008) Thai Institution of Director (IOD) - Bachelor Degree of Marketing California State University at San Bernardino (BA) - Master Degree of MBA, Marketing and Management Mercer University Atlanta, U.S.A.	0.01% belongs to his wife 0.00%	Son In Law of No.2	2013 – At present 2011 – 2013 2008 – At present 2008 – At present 2008 – At present 2008 – At present 2008 – At present 2008 – At present 1998 – At present	Executive Director Nomination & Remuneration Director Director Director Director Director Director Managing Director	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited Thai Sugar Terminal Public Company Limited T S Warehouse Co., Ltd. TSG Asset Co., Ltd. T S Oil Industry Co., Ltd. T S Transport and Logistics Co., Ltd. Jomtien Garden Hotel & Resort, PATTAYA
12. Mr.Chalush Chinthummit - Director - Executive Director - Authorized Committee	47	- The Certificate of Director Accreditation Program (DAP No. 17/2004) Thai Institution of Director (IOD) - Capital Market Academy No. 10 - Bachelor Degree of Business Administration Degree (BBA) Assumption University - Master of Business Administration MBA FINANCE & BANKING MERCER UNIVERSITY U.S.A.	None	A Nephew of No.7	2013 – At present 2007 – At present 2007 – At present 2007 – At present 2007 – At present 2007 – At present 2007 – At present 2007 – At present 2007 – At present 2006 – At present 2006 – At present 2006 – At present 2004 – At present	Executive Director Director Director Director Director Director Director Director Deputy secretary general Director Director Director Director & Deputy Managing Director	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited Thai Sugar Terminal Public Company Limited T S Warehouse Co., Ltd. TSG Asset Co., Ltd. T S Oil Industry Co., Ltd. T S Transport and Logistics Co., Ltd. Trade association for manufacturers of sugar and bio-energy, Thailand. KSL Agro and Trading Co., Ltd. Sugar Sawan Naked Co., Ltd. Kohkong Plant Station Co.,Ltd. Khon Kaen Sugar Public Company Limited.



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
					2004 – At present	Director & Senior Vice President	Namtarn Thamaga Co., Ltd.
					2004 – At present	Director & Senior Vice President	Namtarn New Guang Sun Lee Co., Ltd.
					2004 – At present	Director & Senior Vice President	Namtarn New Krung Thai Factory Co., Ltd.
					2003 – At present	Director	The boards of Cane and Sugar Act of B.E.2527.
					2003 – At present	Director	KSL Material Supply Co., Ltd.
					2003 – At present	Director	Namtarn Korngan Power Plant Co., Ltd.
					2003 – At present	Director	Korn Gan Alcohol Co., Ltd.
					2002 – At present	Director	KSL Export Trading Co., Ltd.
					2001 – At present	Director	Thai Sugar Miller Co., Ltd.
					1996 – At present	Managing Director	KSL Real Estate Co., Ltd.
					1996 – At present	Director	Orn Nuch Gor Sang Co., Ltd.
13. Miss Surangrat Jongprasopsap - Assistant Factory Director	42	- Master Degree of Product Development Industry Branch Kasedsart University - Bachelor degree Food Science And Technology Thammasart University (first-class honors)	None	None	At present	Assistant Factory Director	T S Flour Mill Public Company Limited
					2013 – 2014	Plant Manager	T S Flour Mill Public Company Limited
					2011 – 2012	(Be in charge) Factory Manager	T S Flour Mill Public Company Limited
					2002 – 2010	Chief of Quality Control Department	United Flour Mill Company Limited.
14. Mrs. Waewta Natphan - Assistant Finance & Accounting Director / Company Secretary	38	- Bachelor Degree of Accounting (B.B.A) Burapa University	None	None	2015 – At present	Assistant Finance & Accounting Director, Company Secretary	T S Flour Mill Public Company Limited
					2014 – 2015	(Senior) Finance & Accounting Manager	T S Flour Mill Public Company Limited
					Aug 2010 – 2014	Finance & Accounting Manager	T S Flour Mill Public Company Limited
					2008 – 2010	Manager of Finance and Accounting	TCJ Asia Company Limited



Name-Family Name / Position	Age (Year)	Education Background	Percentage number of Shares (%)	Relation	Working Experiences for last 5 Years		
					Duration	Position	Company's Name/ Type of Business
					2007 – 2008 2000 – 2007 1998 – 1999	Chief of Senior Accounting Senior Accounting Officer Accounting Officer	Toll Logistics (Thailand) Co., Ltd. Hope Technology Co., Ltd. Autsahagum Thai bicycle Co., Ltd.
15. Mr.Sunthorn Suksamran - Assistant Sale Director	33	- Bachelor Degree of Law Bangkok University	None	None	At present 2013 - 2014 2007 – 2012	Assistant Sales Director Sales Manager (Senior) Manager of Sale and Marketing	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited
16. Miss Chalida Sattrupinart - Marketing Manager	37	- Bachelor degree of Management in Accounting Suan Dusit Rajabhat University	None	None	2013 – 2015 2007 – 2012 2002 – 2007 1997 – 2002	Marketing Manager Duputy Office Manager Planing-Purchase-Stroe Employees Credit	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited B & C Industries Co., Ltd. Muangsamut Puchao Hospital
17. Miss Jutamas Malai - Company Secretary	38	- The certificate of Fundamental Practice for Corporate Secretary: FPCS Thai Listed Companies Association - Bachelor degree of Management in Accounting Rambhai Barni Rajabhat University	None	None	2013 – 2015 2014 2012 – 2010 2007 – 2009	Company Secretary (Acting) Secretary Office Manager Technicial Support Technical Support	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited PRO Innovation Technology Co., Ltd. NCS Ggoup Co., Ltd.
16.Miss Masarat Puttipeerawit - Sele Manager	33	University of the Thai Chamber of Commerce - Faculty of Humanities, English major	None	None	2013 – At present 2006 – 2012	Sales Manager Agent	T S Flour Mill Public Company Limited Ing Life Insurance Public Company Limited

The information of the duration of Directors and executive

No.	Name of Boards, director, authorize committees and committees	T S Flour Mill Company Limited
1.	Mr.Pricha Attavipach	C, ID
2.	Mr.Prapas Chutimaworaphan	D, EC, S
3.	Mr.Somchai Vanavit	D, CAC, ID
4.	Mr.Chanachai Chutimaworaphan	D, ED, S
5.	Dr.Charnkrij Dejvitak	D, EVC, MD, S
6.	Dr.Supasorn Chayowan	D
7.	Mr.Somchai Chinthumit	D
8.	Mr.Chalermchai Wongwaiwit	D, AC, ID
9.	Mr.Anek Khamchum	D, AC, ID
10.	Mr.Narong Chenlabwatanakul	D, ED, S
11.	Mr.Dhanadon Suchupinyo	D, ED, S
12.	Mr.Chalush Chinthumit	D, ED, S
13.	Miss Surangrat Jongprasopsap	M
14.	Mrs Waewta Natphan	M
15.	Mr.Sunthorn Suksamran	M
16.	Miss Chalida Sattrupinart	M
17.	Miss Jutamas Malai	M
18.	Miss Masarat Puttipeerawit	M

Remark : C = Chairman, D = Director, EC = Executive Chairman, EVC = Executive Vice Chairman,

ED = Executive Director, S = Authorized signing, CAC = Chairman of Audit Committee,

AC = Audit Committee, ID = Independent Committee, MD = Managing Director, M = Manager

Corporate Social Responsibilities : CSR

Policy Overview

Company places importance on conducting business based on the Corporate Social Responsibility (CSR), which includes supporting and strengthening society and the community by taking social and community problems and concerns to develop and create prototype projects in relevant various dimensions such as tuning community attitudes, driving participatory execution, building a collaborative network, promoting social enterprises, and disseminating knowledge through learning centers. To raise the standard of living, as well as the cultural heritage. The company is targeting a resource consumption both internal and external organization together for the most productive. The success of activities, its do not happen from donation. Its also emphasize the involvement of employees in the organization and cooperation of external agencies, as well as the cooperation of the community.

The internal operations, the company provides the committee to plan the implementation of various projects, comprises personnel from several agencies. For brainstorming to designs of the projects, it's a collection of any ideas, communications, and operations to determine the activity structure as follow:

1. Designed to determine the activities, objectives and results, which to be obtained from the implementation of the projects.
2. Activities Defines the process of implementation, budget, participant and external agencies.
3. Monitoring and evaluation after the operation, will be evaluated according to the defined goal or not, communicated to the organizations and society. As well as coordination activities to be part of society.

The company carries out business with concern for social, environmental responsibility and and all stakeholders by the following principles:

(1) Adherence to fairness

The board of directors has conducted business in tandem with the sustainable development approach with a focus on operating business under the principles of good corporate governance and the regulations of The Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to be a major factor in enhancing the the organization to have an effective management system.

The quality, health, safety and the environment policy.

The Company is committed to the philosophy of doing business in commerce. And social and environmental responsibility It is committed to maintaining the health, safety and quality. Strict environmental Including management And using every resource The adequate and efficient. For stability The prosperity of the business Maintain the dignity And the Company's reputation So that operations can achieve the objectives and goals of the company's guidelines for the operation..

- Operations to achieve the quality meets customer agreements with the cooperation of the staff. And contractors working effectively. Under the system of quality management, occupational health, safety, environment and the ability of the laboratory standard. Including law Regulations of the government And the requirements of the Company Which have concluded agreements with external regulations.
- Managers and employees are required to adhere to and comply with the relevant legal requirements, policies and standards for quality, safety, health and related environmental regulations.
- Develop a quality management system across the organization to ensure effective work processes in order to deliver quality product and excellent service to our customers. For the customer will get the most satisfaction by adhering to safety is central to the operations.
- Company will take all steps possible to control and prevent the loss caused by accident, fire, injury or illness from work, and also Loss or damage to property Security breach which cause any errors, and maintain a safe working environment for staff, which is the responsibility of the management and employees to report the accident. Incidence by following the procedures set forth.
- Make a plan for prevention and control of emergency in all areas of operation. Set an emergency management and organizational crisis plan to prepare for the emergency management. That may occur, such as fire, spill, or spills of chemicals or waste and more. That may cause business disruption and / or damage to their reputation and brand.
- Provide training for professional staff at all levels, so everyone will be sufficiently developed and continued health, safety and environment.
- Provide PR To create awareness and disseminate information to employees and stakeholders, in order to know and understand the rules, procedures, policies, procedures and precautions in quality, safety, health and environment to adhere correctly.
- The company aims to promote and instill the quality, safety, health and the environment as a way of life for their employees without causing harm to health. Property and the environment
- The Company intends to engage in corporate social responsibility in the quality, safety, health and the environment very seriously and continue to use the resources for the maximum benefit. By recognize the importance of the environment and safety. Promote social activities to protect the environment and improve the quality of life based on the concept of sustainable development.
- The company support activities for the society and the environment. By encouraging employees at all levels engage activities with the community. Also, encourage the public organizations or the private organization whose mission is beneficial to society and the environment.

Policies on asset maintenance.

The Company has the policy of maintenance the machinery and equipment in the factory to ensure that equipment and devices. All of the plant will be maintained in the system, and have been checked by the care and maintenance period. To be able to use it effectively, not damaged in the process and can be produced according to customer specifications. The Company Establishes guidelines and established a goal to implement the policy of the asset maintenance.

- Control the loss of machinery and equipment, both directly and indirectly in the production, not to exceed 1.5% per month of production time for each segment consists of cleaning wheat. Flour milling operations And the mixing and packaging.
- Plan the maintenance of machinery and equipment. Both directly and indirectly, the entire factory. By set a frequency control of inspection and maintenance and create the manual of working with daily and weekly maintenance list. The employee monitoring equipment at a frequency of each type is placed such inspection, lubrication equipment, conveyor chain that use oil to lubricate the gears. The drive sprocket, greasing the bearings and a roller. Change parts of machine for maintenance to prolong the lifetime of every month. Divide working time into 2 times a month at a time, 12 hours and annual maintenance. By providing a replacement annually to maintain and extend the life of equipment. The preparation of the long weekend. Divide into 2 times a year.
- To check the stock parts every month in order to have enough spare parts to the event and require replacement.
- Encourage employees to cooperate closely in collaboration across departments. And with other parties To improve system performance and stability. Safety of personnel
- Action to make the machine And effective And is reliable Minimal time to stop production. With regard to security and safety is important in order to take advantage of the property. Such fully As well as to perform at maximum efficiency in terms of cost and manpower used.

Policy on related party transactions.

The company adheres to a policy that is implemented in the transaction. Base on the ordinary course of business and most beneficial to the Company.

- Audit Committee or the auditor of the Company. Shall be considered by the Audit And comment on the appropriateness of the price. And reasonableness of the transaction.
- The Board of Directors must act in accordance with the law. With the Securities and Exchange and regulations, notifications, orders or requirements of the Stock Exchange of Thailand. Including compliance with the requirements regarding disclosure of related party transactions. And the acquisition or disposition of assets of the Company. Accounting standards set by the FAP.
- The transaction involving the Company. And affiliates Transactions with related parties of the Company. Must comply with the announcement of the Stock Exchange of Thailand Act, 2003 and the Notice Board of the Stock Exchange of Thailand. 21/2008 will be subject to the procedures and related disclosure requirements.
- In the case of related party transactions have involved themselves. Taking into account the interests of the company is. And the transaction is a transaction with a person outside of directors, management and employees. Associated with that item Have no part in the consideration.

Policy Procurement.

For the implementation of the purchase, lease or hire of the Company are fast, concise, accurate, economical and efficient requirements, appropriate, fair, transparent and verifiable. Company has established a policy to guide the following information.

- The purchase, lease or hire must take into account the interests of the company's highest in terms of quality, price, and do not cause an impact on food safety, environmental policy, quality, health, safety and environment policy. by purchase or lease, hire a value not exceeding 10,000 baht under the approval of the President. If a value exceeding 10,000 baht to the approval of the President. And Executive Chairman And purchase, lease or hire worth more than 100,000 baht or more will be presented for approval to the Board of Directors. If it is worth more than 10 million baht will be presented for approval to the Board of Directors.
- To purchase, lease or hire will be selecting vendors and contractors to compare at least 3 to maintain the best interests of the Company and, if the amount may not be less than 20,000 baht a quotation time. But there must be more in line with the purchase request for employment.
- Guidelines for the preparation of the contract of employment is to be topped 100,000 - 1,000,000 Baht and a period of 15 days or more since hired by the employment agreement. And the department would be responsible for the content of the employment contract. If the limits on hiring more than 1,000,000 baht Contractors Agreement and / or hire a legal contract. The department would be responsible for the content of the employment contract. Case for outsourcing services agreement must all work.
- Prepare and document properly, orderly and transparent and verifiable.
- The company must not exploit the merchant. The use discretion regarding the purchase, lease or hire must take into account the benefits. And damage may occur. In terms of the Company And damage may occur. The reputation and image
- Opportunities to compete in international trade, according to the case. For the benefit of the Company This must be based on accurate, fair and strict confidentiality of its partners.
- To deal with adherence to rules, regulations, orders, the company strictly and consistently.
- Conduct a systematic It is planned to carry forward the good order not to affect the production process, resulting in damage to the product To help avoid purchasing or hiring. Urgent or without competition. By unreasonably.

Information Technology Policy.

The company aims to push the employees. And tasks related to information technology. Comprising a data communication network. PC With peripherals and data files of the company. Efficiently and not against the law Or the law by taking adequate safety standards. for the sake And the effectiveness of the company's business. By the following guidelines:

- Information technology is adopted to promote the company's employees must not act for personal gain. Or ethics violations And morality.

- The data captured And distributed through information technology is the responsibility of the owner of the information. To preventing the diversion of criminal records. Or violation of third party.
- The provision of information technology to the work, regardless of the Software as a standard first. Prior to the development of the Software to support the work.
- To support the use of information technology effectively. Navigation tools, and computer equipment to be used must comply with the principles. And standards that have been approved and prescribed procedures.
- The need to protect information technology systems. And their business critical information from unauthorized access or theft from the outside. And undermine To ensure that the business of the Company. Carried out continuously, with minimal impact.
- The discipline of information systems and communications company. No negative impact on the company, and others, such as a tool to access information illegally. Damage to reputation and assets. Disturbance or nuisance to the functioning of information systems through decoding intercepted illegally. Forged computer data published text or audio is not appropriate. This includes using commercial or illegal acts.
- The company will check the search investigated and control system of the employees. If there is no doubt that employees work in an improper or should have. To protect the security of information systems company.

Accounting policy.

The Company recognizes the importance of accounting and financial reporting. Which must be completed after the fact. Timely, reasonable and reliable Propose to the shareholders of the government. And other stakeholders Therefore, it is essential that staff at all levels. Must follow the steps in the process. Related to financial accounting system and internal controls. Including accounting and financial requirements of the company and generally accepted accounting principles are strictly follows.

- The accuracy of the records. Must be accurate, complete, And can be checked without limitation or exception. Record the actual Accounting standards are adopted. According to the rules and regulations of the company. Evidence supporting a business transaction. Must complete and pass the audit.
- Financial reporting and accounting for all types of companies. Must be accurate. Contains information that is significant enough. Including the disclosure of the information properly. Standards that are generally accepted. According to the regulations of the Company's financial and accounting. All employees should be aware that the accuracy of the accounting and financial reporting. It is the joint responsibility of the Board of Directors, Management and employees are responsible for themselves.
- Compliance with all applicable laws in the country or abroad. To the accounting And financial records of the company. Is accurate and complete as well as the duties of their other responsibilities. They must adhere to honesty, candor and integrity in the performance relating to accounting and finance.

Policy on internal controls.

The company has a policy that all agencies working with the system. Effectively the purposes And the company's goals The care and use of the property, economical and reasonable. The system of internal control, including the assessment. And risk management continued strong performance. To prevent unpleasant surprises that may be damaging to the company The care and use of the property, economical and reasonable. The system of internal control, including the assessment. And risk management continued strong performance. To prevent unpleasant surprises that may be damaging to the company.

- Define the roles and responsibilities of managers at all levels must be maintained. And monitoring system to work within their agency to be effective. And correct working procedures. By having a strong internal control system can be checked. And every agency must provide instruction sets the stage performance. The benchmark for the segment's operations are in their custody. By complying with the policy of the Company.
- Requiring each agency to assess the risk of their responsibility. And find ways to control by reducing the impact or reduce the probability of such risks, the Company requires that all levels are involved in the assessment and control of risks in general to help prevent damage that may occur.
- Internal auditors directly responsible for the evaluation of internal control and compliance monitoring system. And suggest measures to control agencies. Appropriate to the environment and risk factor changes.

Policy on conflict of interest.

The company operates on the principle that every employee must work for the benefit of the Company. Therefore, the action and any decisions. To be free from the influence of the needs of the family's relatives. Or of any other person is known to be specific. By following the rules of the Company. With the same standard All employees are required to work full time for the company. Are best talent Without misappropriate any time and to do business outside, unrelated to the interests of the Company.

Authorize the Company to disclose to the other party. This is leading to exploitation. For themselves or their family or kin deemed in violation of the conflict of interest policy. For example, to provide operational activities. Or plans for the future of the company and so on.

The Company's policy is to protect the legitimate interests of the Company. Meanwhile, it will be a limit to the scope of freedom of various activities. Of personnel at all levels to a minimum, to guide the implementation of the various company would set limits. Following.

- Procurement Policy.
In the case of personnel at all levels of the company who has a family member as an employee. Customers or business owners Dealer / Seller Or competitors, and employees of the Company. Who are involved in decision making related to the business relationship shall be deemed a conflict of interest.
- Entertainment and Gifts
Personnel at all levels should not receive gifts, entertainment tickets, sports tickets, other ticket offer for a guaranteed booking or offer to make an offer to personal preference. Related to their job in the company or may cause the person to fall in a conflict of interest.

Policy of confidentiality.

Personnel at all levels of the company Shall keep the information and documents that can not be disclosed to third parties. This is leading to exploitation for themselves or their families. Or partisan interests in the Such information affects stock prices. Trade Secrets Various formulas invented This is the right of the Company. To prevent this type of information Are crucial to the success of the company. To prevent this type of information Are crucial to the success of the company. This is extremely important for the stability in the career of everyone. Order to provide information to a third party in a way that is not detrimental impact on the Company's business and reputation. Therefore, a policy of confidentiality. And use the following information.

- Information related parties And agreements of the Company Parties are provided with Holds a secret that could not be disclosed to any third party. Unless it has been authorized by the Company and the parties.
- Use of information sharing within the employee's duties and responsibilities to be in the frame. As far as employees are assigned only.
- Measures and monitoring systems provide information company. Within the department / her carefully to prevent important information within the company. Exposed to the outside before the official release. The measures considered And control system As part of measures to control the risk of the Company
- Provide a general And responsibilities of supervisors in various stages. Is to oversee a potential leak of information and news of the company Outward by the staff in their supervisor. Before the official data published by the Company. Employees who disclose and news of the company. To a third party before the official release. Will be considered disciplinary measures. According to the company's And may be subject to prosecution as well.
- Disclosure of the Company. Before outward Must be approved by the Director. The Board of Directors will provide the data itself. Or assigned to any person. As a response.

Policy to buy or sell securities.

- Board of Directors And administrators are required to report their holdings in accordance with the rules of the Stock Exchange of Thailand. And the Securities and Exchange Commission. Under Section 59 of the Securities Exchange Act of 1992. By notice via the Company Secretary To report such changes every time a purchase, sale or transfer of securities to the Board of Directors.
- No person related securities of the company within two weeks prior to the disclosure of the quarterly financial statements And annual financial statements within 24 hours after the release of these financial statements. (Blackout Period)
- As of the companies listed on the Stock Exchange of information must be equality. And fair to all shareholders equally In order to prevent the illegal actions of personnel at all levels of the company. And families who have been known Or may have access to inside information that is not publicly available. The company will suspend such person to trade or persuade others to buy or sell or purchase / sale of shares of the Company. Whether in person or through an agent while possessing information that is not publicly available. The Company and the Stock Exchange of Thailand. Considered trading for profit bodies. Or to create an advantage to the person. Any party or group.

- In order to comply with the order, we will restrict access to information that is not publicly available. To recognize only those relevant. By the level of security in the workplace. To prevent data leakage. And request for information that is not publicly available. Urges all concerned to follow the strict security.
- For information on the above-mentioned persons Violators will be subject to disciplinary action and / or the case law.

Human resource management policy.

The Company recognizes that employees are the key factors. And valuable to the success, progress and growing steadily. The Company intends to continue to leverage the capabilities of the staff are excellent. Human resources management scholars and work culture, providing tools for modern practitioners adequate compensation and benefits to a level comparable to other similar business. The atmosphere And a great working environment and safe for maximum life. Employees should act responsibly. Honesty, commitment and compliance with the interests of the company is important.

Elements of the human resource management policies are.

- *Recruitment, HR*

The Company has a policy to provide stability. In employment for employees. Taking into account the need for the planned rate. Opportunity for a talented staff. And suitable for applications that require it. And do justice to select people who have basic knowledge. Ability and attitude in position vacant at the company. To get a job.

- *The remuneration and other benefits to employees.*

The company has a system of compensation and benefits. Comparable with the same industry Such as Social Security Fund Fund Health Check Loan for housing Funds for ordination Funds for marriage Maternity allowance Funeral and grants The employee's salary will vary. Depending on the importance of jobs. And responsibilities The salary increase is usually measured by the employee and the appropriateness of the financial position of the Company.

The Company may be required to allow employees to work overtime sometimes. By considering the necessary. Because the company does not encourage employees to work overtime. Instead of relaxing the body and mind. Each overtime compensation according to the regulations of the company.

The company wants to provide employees with a stable lifestyle, both during the operation. At the end of the employees. It has established a fund. This savings Shared between the employee and the company.

- *Evaluation of the performance.*

The company is committed to provide a fair evaluation. To cause the employee's motivation up. Annual salary increase Be used to assess the work is the norm. Progress in the employee's salary, depending on performance. And the ability of employees to be promoted.

- *Discipline and Disciplinary*

The Company's intent to treat all employees. With a good understanding and sympathy with religious tolerance. However, we Remember to maintain discipline in the operation of all employees.

Within a reasonable This is essential to keeping the peace. In consideration of the disciplinary measures. Is done based on the principles to be taught to seek out the facts surrounding the case. It is based on the concept of justice, the Company believes that the purpose of disciplinary measures. So that employees behave in accordance with the existing rules and to correct wrong behavior correctly.

- *How to Complain*

The company will work conditions in general. To the Company To be fair In line with the wishes of the employees Not conflict any more, although in practice there may be a conflict occurs. The Company also wishes to acknowledge the feelings of employees and immediate view that the Company has requested assistance from the staff report to the commander of the conflict. Which would serve as a guide or to resolve problems Employee as soon as appropriate.

- *The news media staff*

Employees are aware of information by fast. And accurate story Related to the Company And the employee The Company Desirable to be aware of any issues. Of employees as a benefit to the business operations of the Company. Contributes to a better understanding between the parties to a joint mission to achieve well.

The Company will make available to the news media and channels are bidirectional effectively. With fast and Media.

All of them, who was in command of all the vital role. As the relay And be informed of all the news.

- *The safety of the employee. Plant Safety and Security*

The Company's policy is to provide a safe working environment for all employees, management and supervisors. Every level has a responsibility to take care of employees' safety in the workplace. Determine how to provide a safe and protective equipment. As well as provide training to employees with the knowledge and understanding that can work safely.

All staff have a responsibility to learn about safety in the workplace. Follow the instructions in the set And use protective equipment provided. As well as notification to the supervisor was aware of the unsafe conditions. They have seen To take corrective action.

- *Termination of employment And the payment of benefits*

Employment may be terminated by various reasons. Whether by intent of the Company. Or the employee's own The termination The Company will pay benefits to employees shall be given. The rights specified in the regulations of the company. But in any case shall be not less than. Eligible employees will receive as required by law.

The policy on quality and food safety

The company is committed to the development of clean wheat quality according to the food law and in accordance with the provisions of Islam In response to continued customer satisfaction. To achieve the quality management standard, food Safety And according to Islam, the company has established a "quality policy. And food security "was written to be clear guidelines as follows.

- Posted outreach quality. And food safety According to Islam Both inside and outside the organization, such as news updates about the changes that have an impact on food security.
- Training procedures and good hygiene practices in terms of quality. Food Safety and according to Islam. Let employees know and practice very seriously. Including the development by providing ongoing training.
- Designate a meeting to review the policy and objective evaluation of food safety and traceability throughout the organization.
- The monitoring of performance within the organization to comply with food law. To ensure the quality and safety of food and provisions Islam. Product.
- The advanced technology used in the production process. Maintenance Quality Inspection In order to perform continuous production efficiency. And can be checked.

Policy on manufacturing

The company is committed to the development of wheat quality safe food law requirements and in accordance with the provisions of Islam. With the use of modern equipment and reduce environmental pollution. Fast and efficient in response to continued customer satisfaction. And to make the production process more efficiently, the company has made. "Policy makers" was written to be clear guidelines for the company.

- Enhancing the efficiency of the production process. Control Improvement and development of production quality system standard ISO 22000: 2005 GMP HACCP and HALAL.
- Increase the quality and performance. By the administration and development of the resources in the production of high quality. With the skills and abilities. To increase efficiency and productivity in the workplace. By providing training and development of employees as well as promote the work together as a team.
- Optimize equipment and technology. By studying the machinery, equipment and technology to meet the needs and preferences of customers.
- To control the optimization process. Including prevention and loss control and reporting systems are ongoing.
- Held a consultation meeting with the planning system to ensure compliance with the economic conditions and the needs of the customer agreement made.
- Determine the purpose and goals of food security (Food Safety Objective) in every aspect of production to achieve the control objectives and targets set.

These give or receive gifts.

Company has been committed to the Or give a gift or property Or other benefits, according to the action in the nature of the medium. But have no effect on the company's guidelines.

- Do all personnel and / or family to claim or receive gifts of property. Or other benefits from the contractor. Subcontractors, customers, suppliers / vendors, partners, or who is involved with the business of the Company. Do not under any circumstances which may influence the decision to work with bias or embarrassment or interests that are contrary to each other.
- The Company will use its discretion in giving the gift of property or other benefit to another person in a manner that does not unreasonably. Or extravagant Or the noble traditions Or the laws of Canada or of a local company to invest.
- The Company shall be notified to report about receiving gifts of property. Or any other regularly and will notify the contractor Subcontractors, customers, suppliers / vendors, partners, or who is involved with the business of the Company. About this policy.

(2) Anti-corruption Efforts

The Board of Directors Meeting No.7/2014 held on July 31, 2014 has approved the anti-corruption, corrupt, and published below.

T S Flour Mill Co., Ltd. (Thailand) has planned to conduct business with integrity by adhering to social responsibility and stakeholder groups on corporate governance and business ethics Policy and guidelines for stakeholder groups. To ensure that the Company has a policy guidelines define the responsibilities and requirements for appropriate action. To prevent fraud, corrupt all business activities. And to make the decisions and business operations that may be at risk of fraud corrupt to be considered and treated carefully, the company has established an "Anti-corruption policy" which is written to be clear guidelines for conducting business, and to develop to sustainability organization.

Definition of the Anti-corruption Policy

Corruption refers to bribery; to use positions and / or use of the information obtained from the performance of the Company to take any action that is beneficial to their cronies and / or others in order to acquire the property or other benefits those are not economically viable. With government officials, state agencies, private agencies or who is responsible both directly and indirectly. Include doing any action on the contrary to the company's business ethics. Except for the case law, rules regulations. Local traditions or traditional trade can be done.

Guidelines for the implementation of the Anti-corruption Policy

1. All directors, managers and employees of the company and its affiliates operate or accept or support corrupt corruption in all its forms, both directly and indirectly. It covers all of its subsidiaries, including the contractor or the other witch is related. Do not Not negligent when found the action required to corrupt which is associated with the company. Must notify the supervisor or the person responsible and to cooperate in the investigation in. If you have any doubts or questions, consult with supervisors or a person designated to act as responsible for monitoring through

various channels. Also review of the guidelines to comply with the policy. Regulatory compliance rules, announcements and changes in business law.

2. The anti-corruption Policy is a part of the business and is the responsibility of the executive board of supervisors. Employees at all levels Suppliers and subcontractors to take part in the review of the guidelines for the implementation of anti-corruption, achieve follow the policy.
3. We will develop measures to combat corruption and corrupt comply with the law, including the principles of moral. By conducting a risk assessment of the activities or vulnerable to corruption and corrupt and promote. Support policy against corrupt. To communicate to employees and to cultivate a culture.
4. The company does not do or support bribery in all its forms. All activities are supervised. Including control Donations to political parties. Have a transparent action and is not intended to convince government officials or private actions that are not appropriate.
5. Donations to charity or funding or receive donation must be transparent and legitimate. We must ensure that donations or funding is not being used to justify bribery.
6. The company provides an appropriate internal control. Regularly to prevent employees with improper conduct. In particular, sales, marketing, purchase.
7. The company provides knowledge of anti-corruption and corrupts to the Board of Directors. The management and staff to promote honesty and responsibility in fulfilling their responsibilities. And reflects the company's commitment.
8. The Audit Committee have a duty and responsibility to review financial reports and accounting, internal control, internal audit and risk management system. To ensure that it meets international standards, appropriate, modern, efficient, transparent and accurate.
9. The company supports a variety of communication channels to ensure that employees and stakeholders can submit suspicious by ensuring that the whistleblower is protected. Without being punished Migration is not unfair or bullying by any. And including the appointment of a person to monitor the whereabouts of the complaints.
10. Anti-corruption Policy is applicable to cover personnel administration. From the nomination, selection of personnel, promotion, training, evaluation and operational staff to returning the profits. Requiring supervisors at all level communicate for understand to the staff to do business activities under the responsibility and supervision of compliance with the efficiency.

(3) Respect for Human Rights

The Company is committed to conducting its business with transparency. Respect human rights law. We encourage our executives and employees to comply with human rights which are the foundation of human resource development. This is an important element of the organization and beneficial to society as a whole. The Company has established the following policy guidelines.

- We will conduct our business with respect and encourage employees to exercise their rights as citizens of constitutionality. And other related laws.

- Support and respect the protection of human rights. By regularly monitoring the Company's business not to have been involved in human rights violations. For example, does not support and against the enforcement of child labor, etc.
- The managers and staff at all levels of the company must understand the laws relating to duty and their responsibilities directly. And strictly follow as well.
- The company does not support any procedure which is violating of human rights.
- We maintain the privacy of employees, such as biographies, health history, work etc. Not transgress the personal information of employees, the public, except with the consent of the employee concerned, and according to company regulations or laws.
- Encourage employees to live a balanced life between work and personal life. And encouraging employees to have the opportunity to do a volunteer for society. Also to compliance with the principles of various religions equally.
- Provide a system which focuses on safety and health in the workplace, according to the safety standards of the potential harm to the personnel. Both by accidents and disease.
- Provide a fair condition of employment for employees, for employees receive reasonable compensation potential.
- Provide for the welfare of employees, as appropriate, such as providing annual vacation, reasonable overtime, medical treatment as necessary and appropriate, and so on.
- The managers and employees of the company must not take any action that infringe or violate any rights, whether it is physical or verbal abuse of others on the basis of human rights. Including race, color, sex, language, religion, political beliefs or any other faith Impaired / physically and mentally or behave any unwanted which cause distress, nuisance and damage.

T S FLOUR MILL PUBLIC COMPANY LIMITED held training on basic knowledge of ISO 22000 & GMP / HACCP standard system

The objective : To provide personnel with the knowledge and understanding to apply for quality systematization accurately and effectively to the organization.





T S FLOUR MILL PUBLIC COMPANY LIMITED held training in the development market to the free trade (ASEAN Community)

The objective : To provide participants with the knowledge and understanding of production system according Islam. There were potential professional needs of enterprises.

T S FLOUR MILL PUBLIC COMPANY LIMITED held the drugs poisoning activity of and the benefits of social security.

The objective : To provide employers and employees with knowledge and understanding to prevent and solve drug problems. It was not widespread to the workplace. This activity will be reduced the number of employees who addict drugs as possible for good health and quality life.



T S FLOUR MILL PUBLIC COMPANY LIMITED organized training and practiced expedience in case of The transformer explosion.

The objective : To provide all employees understand in their roles and responsibilities in the implementation of the individual expedience. The campaign was to aware for employees in the importance of safety in the workplace and the environment so that employees were safe at work and created organizational climate in the workplace.

T S FLOUR MILL PUBLIC COMPANY LIMITED held annual health check in 2015.

The objective : To prevent abnormality health of employee. Reducing the risk to occur for the safety food and prevented the spread of germs.



(4) Treating workers fairly

Company complies with Labour Protection Act B.E. 1998, without the employee under the age of 15 years. Without the use of forced labor in all types such as forced labor, convict labor, slave labor and human trafficking involves the wrongfully labor. Including comply with laws and regulations relating to occupational health and safety regulations. Create a working environment that is safe for employees, contractors and visitors by trying to keep everyone be safe. By the year 2015, the company is organized as follows.



T S FLOUR MILL PUBLIC COMPANY LIMITED held training course “The Occupational Safety and Health committee”

The objective : To educate the Occupational Safety and Health committee to get the knowledge to manage in an organization effectively according with laws and security policies.

(5) Consumers responsible

The Company's quality assurance and quality production, since the process of the raw materials, the manufacturing processes and the final products before delivering to ensure the system is based on GMP, HACCP, ISO 22000 and HALAL. In the process of audit qualities, are collected every 2 hours for the case of bulk purchases and sampling of all container purchased as a case to analyze the humidity value, protein and ash.

For the product during the manufacturing process are randomly sampled for analysis of other values include gluten, flour color, microbial and baking test. In addition, Including overseeing the products to keep in a safe place, such as the weather, animals, insects, moth, etc. The Board of Director has established the guidelines for the practice in operation which based on the obligation and a discipline that should follow. Summarized as follows:

- Provide an acceptable quality of the market.
- Disclosure of all information about the products and services completely and does not distort the facts, by considering the customer.
- The goods and services warranty under the suitable conditions.
- Reject the goods and services delivering with low required standard to customers.
- Not make the customers misunderstanding about the quality, quality, price or conditions of any goods and services.
- Organized system for the customers to complain the goods and services.
- Maintain the client confidentiality and not used for the self-benefits and involved wrongful.
- Reduce the cost of production by maintaining the quality standards of goods and services, in order to maximize the benefit for the customers.

- Keep the promises and comply with the customers' conditions. In case of non-comply with any conditions, have to immediately notify the customer in advance.
- Not set the exorbitant price and impose the unfair trading conditions for customers.

By the year 2015, the company is organized as follows.



T S FLOUR MILL PUBLIC COMPANY LIMITED held friendly welcome activity.

The objective : To allow the mass media to visit the factory Phase 1 and Phase 2 to visit the production of wheat flour. To build confidence and potential business to the mass media.



T S FLOUR MILL PUBLIC COMPANY LIMITED held friendly welcome activity by Dr.Charnkrij Dejvitak Executive Vice Chairman & Managing Director greeted shareholders.

The objective : To allow shareholders to visit factory and know the management team. Visiting the wheat flour production. To build potential business to shareholders.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and quality system from OISHI TRADING Company Limited.

The objective : To evaluate the quality production process and quality management system of the organization.

T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and quality system from PLUS POINT Company Limited.

The objective : To evaluate the quality production process and quality management system of the organization.

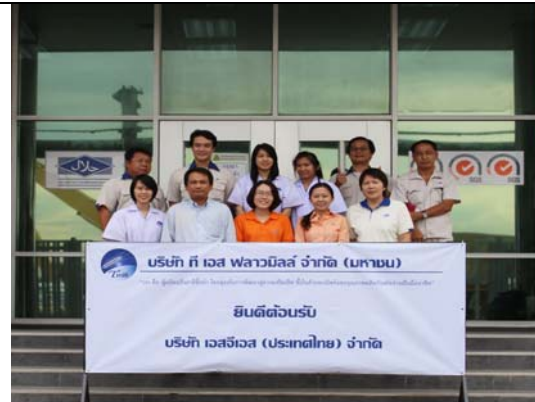


T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and quality system from NIPPUN (THAILAND) Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.

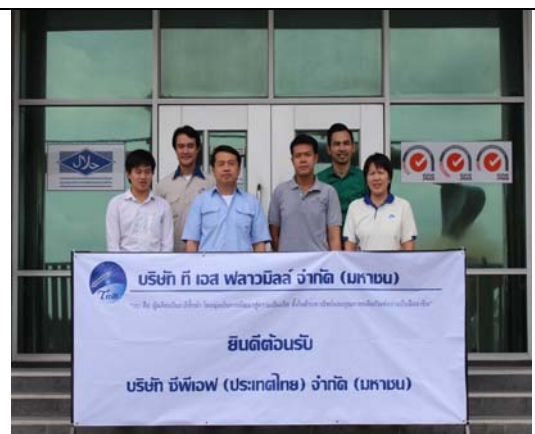
T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and quality system in 22000:2005 from SGS (Thailand) Company Limited

The objective : The monitoring of SGS (THAILAND) Company Limited about quality system in 22000:2005 TAS 9024 2007, HACCP-CODEX to build confidence in quality food safety management to customers.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from CPF (THAILAND) Public Company Limited

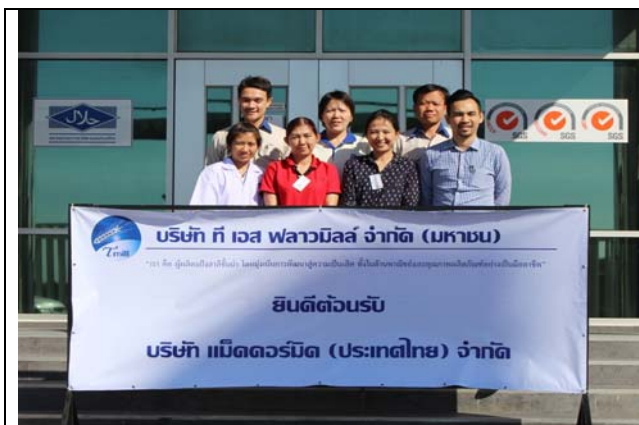
The objective : To evaluate the quality production process and quality management system of the organization.





T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from AJINOMOTO FROZEN FOODS (THAILAND) Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



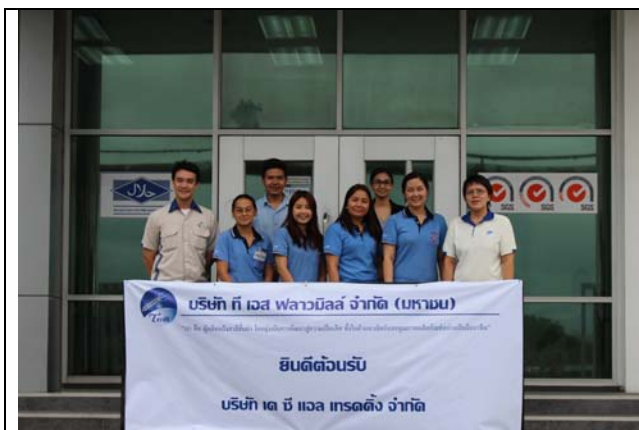
T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from MCCORMICK (THAILAND) Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from MANORA FOOD INDUSTRY Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from KCL TRADING Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.

T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from FOOD COATINGS INTERNATIONAL Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from NEWLY WEDS FOODS (THAILAND) Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from SRIFA FROZEN FOOD Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.

T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from C&W INTERFOODS Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.





T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from R&B FOOD SUPPLY Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



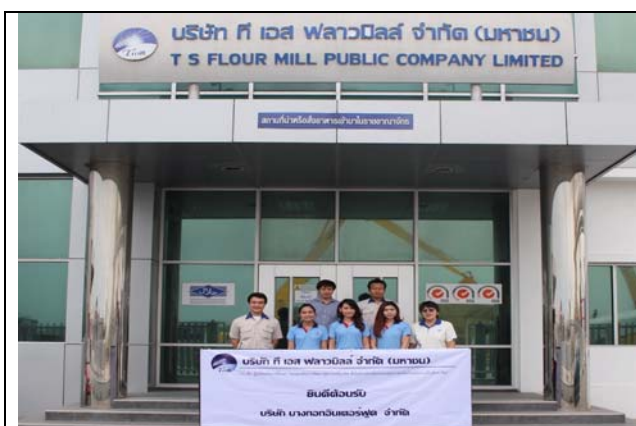
T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and visited factory from THAI ROYAL FROZEN FOOD Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



Dr. Charnkrij Dejvitak Executive Vice Chairman & Managing Director honored welcoming officer from The FIRST STARCH INTERNATIONAL Company Limited to audit the factory and other quality system.

The objective : To learn more about the wheat flour products and production line.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and quality system from BANGKOK INTERFOOD Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and quality system from THAI FLOUR INDUSTRY Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



T S FLOUR MILL PUBLIC COMPANY LIMITED received assessment of factory and quality system from PRESIDENT BAKERY PUBLIC Company Limited

The objective : To evaluate the quality production process and quality management system of the organization.



Dr.Charnkrij Dejvitak Executive Vice Chairman & Managing Director and Mrs.Waewta Netphan, Asst. Finance & Accounting Director / Company Secretary, participated listed companies meet investors (Opportunity Day) at the Stock Exchange of Thailand

The Objective : To clarify information about the business and operations of the company for securities investment analyst and the mass media. The Stock Exchange of Thailand have set scheduled activities in the period after the announcement of financial statements every quarter.

Dr.Charnkrij Dejvitak, Executive Vice Chairman & Managing Director joined Mai Forum 2015 squaremai total power festival at Queen Sirikit National Convention Center (QSNCC)

The Objective : To clarify information about the business and the operation of the company for associate.



T S FLOUR MILL PUBLIC COMPANY LIMITED held The annual general meeting of shareholders No. 1/2015

The objective : To treat all shareholders equally and to protect the fundamental rights of the shareholders are entitled by law.



Dr.Charnkrij Dejvitak Executive Vice Chairman & Managing Director at welcoming activities.

The objective : To allow the Thai Industries Council, Samutprakarn to visit wheat flour production to build confidence and potential business to the Thai Industries Council, Samutprakarn



T S FLOUR MILL PUBLIC COMPANY LIMITED has been visited by the company Intek Feed Company Limited

The objective : To visit factory including production lines.

(6) Environmental conservation

The Company uses the modern technology for the production of wheat flour, which is Buhler brand that imported from Switzerland. Planning a maintenance check on a regular basis and preparing the production process in each segment according to the GMP / HACCP system. By the production of wheat flour, there is no environmental impact, water pollution and impact on society. The company is also saving the environment by shipping wheat to customers with bulk truck. In 2013, has delivered by bulk truck about 30 percent of the flour shipments throughout the year.

(7) The jointly social development

We will consider the needs of the community by promoting and encouraging employees to participate in activities with the community in the past year, the Company entered into a joint promotion and support activities as follows.

T S FLOUR MILL PUBLIC COMPANY LIMITED held annual National Children's Day 2015.

The objective : To give youth and the community that knew the company and gave an opportunities to youth to join in activities, created fun game and recognized the importance of their role to grow into good adults in the future.



T S FLOUR MILL PUBLIC COMPANY LIMITED has awarded scholarships to students with good grades but poor at the PHUNHANGSANAWAS SCHOOL

The objective : To support scholarships to students in the grade 6 with good grades, but poor. They have taken a scholarship to study in grade 7 to alleviate the financial burden of parents and increase educational opportunities.

Dr. Charnkrij Dejvitak Executive Vice Chairman & Managing Director at master of ceremonies for Special Charity Concerts for the disabled and the elderly of The Federation of Industries in Samutprakan

The objective : To earn the procurement of assistive devices for disabled and elderly supporting the activities of The Federation of Industries in Samutprakan.



T S FLOUR MILL PUBLIC COMPANY LIMITED held sacrifice ceremony and offered food to Buddhist monk that honored by Khun Preecha Autthawiphat, President, Mr. Praphat Chutimaworaphan, Chairman and Dr Charnkrij Dejvitak., Executive Vice President and Managing Director were guest of honor.



T S FLOUR MILL PUBLIC COMPANY LIMITED joined carry on the Traditional Candle Casting activity

The objective : To conserve and promote cultural tradition to remain go on.

T S FLOUR MILL PUBLIC COMPANY LIMITED held Events Tiggkrahad with affiliates by Mr.Pricha Attavipach, Mr.Prapas Chutimaworaphan, Dr. Charnkrij Dejvitak were guest of honor and distributed supplies to the villagers.

The objective : To bring things for helping society in nearby area by distribution of consumer products to villagers that was activitiesfor helping communities surrounding the company.



T S FLOUR MILL PUBLIC COMPANY LIMITED joined bowling competition of The Federation of Industries in Samutprakarn.

The objective : To build unity among the members of the council and institute in organizations.



Dr. Charnkrij Dejvitak Executive Vice Chairman & Managing Director at master of ceremonies for give scholarship in " The program for supporting scholarships to employees' children who have good grades."

The objective : To help the burden of employees' children in expense of education and supported employees' children who got good grades to get a chance to study in higher education and build morale to the families of staff.



T S FLOUR MILL PUBLIC COMPANY LIMITED held blood donation activity to help fellowman

The objective : To be part of the donation and increased the number of blood inventoryto The Red Cross and to raise awareness for the company's employees to recognizes the importance of donating blood for fellowman.

Dr.Charnkrij Dejvitak Executive Vice Chairman & Managing Director at The Unity Kathina Ceremony at WatSamrong Tai (PHUNHANGSANAWAS)

The objective : To provide employees and the nearby people had unity together in The Unity Kathinaceremony by collecting money to construct monk's house in the temple and succession ThotKathinceremony that was important tradition on Buddhismto remain traditionally a Buddhist Buddhism.



Dr.Charnkrij Dejvitak Executive Vice Chairman & Managing Director at the annual New Year's party in 2016.

The objective : To encourage the personnel of the company and build unity within the company.

The implementation and preparation of reports

The Company prepares a report, including the Annual Information Form (56-1) And Annual Report (56-2)

Business operations affect the corporate social responsibilities

- N/A

Activities for the social and environmental benefits (after process)



T S FLOUR MILL PUBLIC COMPANY LIMITED

held reforestation activities to protect the environment

The objective : To participate in solving the global warming problem and the destruction of mangroves forest. To increase Mangroves forest and balance of nature, ecology and the environment.

Relate Party Transactions

The Company has transactions among interested persons both a person or companies by having the same shareholders or same committees. Audit committees will examine and investigate an appropriation of any topics as well as formulate rules and conditions following the market's price that there is no conflict of interest included.

Company's Transaction

Transaction started from 2015 to December 31, 2015 as followed:

The name of related companies and relationships

Company's Transaction	Type of business	Relationship
Thai Sugar Terminal Company Limited ("TSTE")	Doing a business related to transporting goods, leasing inventories, ferry service	TSTE is a major company of the Company by having shareholders 98.82% before separate shares and reduce its stake down to 69.34% after the IPO on November 19, 2012. It uses same committees except Audit committees which are TSTE.
TSG Asset Co., Ltd. ("TSA")	Doing a business related to leasing real estate	It is a related company with TSTE. It has same committees from TSTE except Audit Committees which are TSA.
TS Oil Industry Co., Ltd. ("TSO")	Doing a business related to palm oil industry	It is a related company with TSTE. It has same committees from TSTE except Audit Committees which are TSO.
TS Transport and Logistics Co., Ltd. ("TSTL")	Doing a business related to transporting goods, producing sacks' bag, security services	It is a related company with TSTE. It has same committees from TSTE except Audit Committees which are TSTL.
TS Inventory CO., Ltd ("TS")	Doing a business related warehouses and inventories	It is a related company with TSTE. It has same committees from TSTE except Audit Committees which are TS.

The list of renting amount of inventories, silos and the land

(Unit : Million Baht)

Landlord	Tenant	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2015	Jan – Dec 2014	
TSTE	TMILL	<p>The Company rents a land which is 7,013 square meters from TSTE for building Factories and buildings which means 50 baht/square meter or 350,650 baht/ month. The lease will last for 30 years starting from August 1,2010 to July 31, 2040 by increasing the rent 10% from the old price every 5 years. The rent for whole contract is 162,328,740 baht or 5,410, 958 baht/per year. When the least is cancelled, the Company will transfer land with the building by the end of the contract, if the contract has not mentioned about the building in other condition. If the Company wants to continue the least, the Company should inform TSTE in advance at least 2 years before the end of the contract. TSTE will allow the Company rent the land no more than 30 years. The rate of the rent will be based on financial situation at that time.</p>	5.4	5.4	<p><u>The importance of the least</u> The Company rents this land for factories and building will be located in.</p> <p><u>The price of the least</u> The price of the rent will be appraised by UK Valuation and Agency CO., Ltd. No. UK 2010/724 This land has been appraised on September 11, 2010.</p> <p><u>The opinion of Audit Committees</u> Audit Committees take the least into consideration and think it is reasonable price of the land and the conditions through the contract.</p>
TSTE	TMILL	<p>The Company rents an inventory from TSTE 2 inventory</p> <p>1. Inventory No.8 which has 1,650 square meters</p> <p>2. Inventory No.9 which has 1,650 square meters</p> <p>These two warehouses have been approved for a lease of 30 years commencing from 1 April 2014 to 31 March 2044 with the rental rate per square meter 85 baht or 280,500 baht per month, subject to the rent by 15% of the</p>	4.9	4.7	<p><u>The importance of the least</u> Company to rent a warehouse to store the finished 9 of the Company and Warehouse 8. To install a storage tank to support the capacity expansion since quarter 2/2015. Warehouses are located in close proximity to the plant of the company. Easy to transport</p>

Landlord	Tenant	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2015	Jan – Dec 2014	
		original lease every 5 years. THB 147,325,320 contract rent for a rental linear 4,910,844 baht per year.			<p><u>The price of the least</u></p> <p>The price will vary according to global market which is based on the location on inventories, the inventories' condition.</p> <p><u>The opinion of Audit Committees</u></p> <p>Audit Committees examine the least and think that the price, and conditions are sensible, reasonable.</p>
TSTE	TMILL	<p>The Company rents Silo # 30 for the construction of silos with capacity of 40,000 tons. area of 2,800 square meters These warehouses have been approved for a lease of 30 years commencing from 1 April 2014 to 31 March 2044 with the rental rate per square meter 85 baht or 238,000 baht per month, subject to the rent by 15% of the original lease every 5 years. THB 125,003,640 contract rent for a rental linear 4,166,788 baht per year.</p>	4.2	3.3	<p><u>The importance of item</u></p> <p>The company rent the warehouse. To be used as the raw material storage silos with capacity of 40,000 tons of storage space has enough demand, and is located in close proximity to the plant.</p> <p><u>The reasons of price</u></p> <p>The rental rates for the same price of the rent themselves. When compared to the cost of a third party warehouse in the same way that the lower cost of third party warehouse.</p> <p><u>The opinion of the Audit Committee</u></p> <p>Audit Committees examine the least and think that the price, and conditions are sensible, reasonable.</p>

Landlord	Tenant	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2015	Jan – Dec 2014	
TSO	TMILL	The Company rents a warehouses (Bulk) consisting of 2 silos which are 2,880 square meters. The rate per square meter is 85 baht. The Company pays the rent 244,880 baht/ per month since February 1, 2011 which is 2 months contract. If the Company wants to continue the least, the Company should inform by writing in advance (at least 1 month earlier) Currently, the rental has canceled since January 16, 2015.	0.1	2.9	<p><u>The importance of the least</u></p> <p>The Company rents 2 silos for storing raw material in the case of not enough warehouses. These silos are located in close area of company's factory which is easier for goods transportation.</p> <p><u>The price of the least</u></p> <p>The rental rates for the same price of the rent themselves. When compared to the cost of a third party warehouse in the same way that the lower cost of third party warehouse.</p> <p><u>The opinion of Audit Committees</u></p> <p>Audit Committees take the least into consideration and think it is reasonable price of the land and the conditions through the contract.</p>

Purchases of goods and services

(Unit : Million Baht)

Seller/ provider	Buyer / customer	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan-Dec 2015	Jan-Dec 2014	
TSTL	TMILL	The company has purchased the packaging bags from TSTL for the flour and wheat, which was the products of the company.	14.7	13.6	<p><u>The importance of item</u></p> <p>The company has purchased the packaging bags from TSTL for the various flour, which was the products of the company.</p> <p><u>The reasons of price</u></p> <p>The company held auction the sacks every quarter. There is purchasing the sacks from the winner of auction. In the first to fourth quarter of 2015, TSTL have been selected due to the best price and most beneficial conditions to the company.</p> <p><u>The opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and approved the importance of item, including the conitions of item and the reasons of the price.</p>
TSTE	TMILL	The company has paid the cost of unloading the wheat, such as loading and unloading charges. Fee scales through the docking port, including the electricity bill. Water supply in the warehouse for packing of wheat.	1.3	8.9	<p><u>The importance of item</u></p> <p>Service Electric Company Water and warehouse rental company for packing wheat. And Services The handling wheat into a silo.</p>

Seller/ provider	Buyer / customer	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan-Dec 2015	Jan-Dec 2014	
					<p><u>The reasons of price</u></p> <p>According to the terms of the same TSTE with unrelated individuals.</p> <p><u>The opinion of the Audit Committee</u></p> <p>The Audit Committee has considered and approved the importance of item, including the conitions of item and the reasons of the price.</p>
TSO	TMILL	The company has rented forklift to transport goods in the warehouse of a car repair one vehicle for a period of five days.	0.01	0.0	<p><u>The importance of item</u></p> <p>For transporting goods in the warehouse of a company car repair one vehicle for a period of five days.</p> <p><u>The reasons of price</u></p> <p>The company has three cheap money policy of purchasing TSO and the cheapest.</p> <p><u>The opinion of the Audit Committee</u></p> <p>The Audit Committee has approved the suitability of the list. The terms of the transaction. And the price was comparable. That the price is right.</p>

Dividend

Payee	Payer	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan-Dec 2014	Jan-Dec 2013	
TSTE	TMILL	The company has paid dividends from the net profit of the year 2015, according to the resolutions of the 2015 Annual Meeting of Shareholders on April 23, 2015 of 0.08 baht per share, totaling 197,633,100 shares by TSTE shareholders receive dividends in the amount of 15,810,648 Baht.	15.8	19.8	<p><u>The importance of item</u></p> <p>The Company's dividend policy of at least 50% of the net unless it is necessary to use the money for current or investment.</p> <p><u>The reasons of price</u></p> <p>According to the dividend payment policy is not less than 50 percent of net profit.</p>

Transactions of accrual basis between the Company and related companies

Corporations that have accrual basis with the Company	Descriptions	The cost of items (Thousand Baht) December 31, 2015
TSTE	Deposit of the land and silos	1,738
	Accrued expense	11,339
	Accrued dividend	-
TSTL	Account payable	1,703
TSO	Deposit of Inventory	-

The Opinions of Audit Committees

In the past, the Company has transactions with others companies by having same shareholders or same committees. The audit committees will examine and consider transactions by asking boards and committees, reading records and documents prepared by the Company. The audit committees will examine transactions that will end at December 31, 2015 and give some opinions either there are reasonable or not in terms of prices, conditions by comparing to global market. For further details can be seen from the above information.

Policies or processes asking approval of transactions

According to the meeting No.3/2013 on March 14, 2013, there are policies and processes of making transactions so as to control the conflict of interest as required by Securities and Exchange Commission Thailand and the Stock Exchange of Thailand. Furthermore, the audit of committees will express their opinions related to price, suitability of transactions based on the market price. Audits of committees also compare price with outsource. In the case of have no enough experience on that topic, the Company will use outsources who are expert on that field such as an auditor, an appraiser etc. Outsource will work independently apart from the Company. All of these help audit committees make a decision and then will offer to the boards of committees and shareholders in the meetings.

In addition, the Company makes a measurement by not allowing executives, or interested persons to make a decision or vote in that topic. The boards of director will be responsible for the Company following the law and regulations as required by Securities and Exchange Commission Thailand and the Stock Exchange of Thailand. The Company also abides by rules according to disclosure of information and transparency, related transactions, the trading of company's asset, accounting standard (the Stock Exchange of Thailand). The company will strictly comply with standard of Federal of Accounting Professions and will disclose information through annual registration statement (form 56-1) and an annual report.

Policies or tendency of making transactions in the future

For future transactions that may happen, all conditions will be as general trade based on price and terms reasonably. The Company and/or Group of companies will have audit committees and/ or independent committees name the remuneration. If any transactions are related to interested persons in terms of conflict of interest in the future, the Company will follow the laws or announcement and/ or regulations of Securities and Exchange Commission Thailand and/ or the Stock Exchange of Thailand. The Company may use independent expert or an auditor of the Company to give some opinions related to that transaction so as to help a decision-making process of boards or shareholders. Transactions will be shown at financial report as a remark proved by company's auditor.

For transaction with related company and the conflict of interest persons in the future, if the conditions is for general business under the business condition and for running the Company's business, the Company will set clear price' policies with fairness relying on market price and the Securities and Exchange Act B.E.2535 (1992) including the edition (No.4) 2009 article 89/12 (1) The Company will do a report to audit committees every quarter as well.



For transaction with related company and the conflict of interest persons in the future, if the conditions are not based on general business conditions, the Company will allow audit committees to examine, consider in order to make transactions run properly by comparing the price with outsource, considering the reasonably price. If audit committees are not expert on that transaction, the Company will use other expertises like an auditor or an appraiser etc. These expertises are independent committees who have no conflict of interest of that transaction. They can give some advice helping a decision making process of board of directors.

Nonetheless, transactions can cause conflict of interest in the future. The Company conducts a policy not allowing any committees, executive, or interested persons are being the part of the transaction that they will get some benefits according to the law of Securities and Exchange Commission Thailand and the Stock Exchange of Thailand and Capital Market Supervisory Board (CMSB) or any related organisation as well as Federation of Accounting Professions.



The explanation and alalysis of financial and operational process

Fiscal year of the Company starts from 1 January to 31 December of every year.

The report of Auditors

1) Auditors

2013 Miss Prapasi Leelasupa Certified Public Accountant No. 4664 AMC Office Company Limited

2014 Miss Prapasi Leelasupa Certified Public Accountant No. 4664 AMC Office Company Limited

2015 Mr.Naris Saowalaksakul Certified Public Accountant No.5369 AMC Office Company Limited

2) The summary of Auditing by An Auditor for past 3 years

2013 The auditors have audited the financial statements by an unqualified opinion. And observations.

2014 The auditors have audited the financial statements by an unqualified opinion.

2015 The auditors have audited the financial statements by an unqualified opinion.



Income Statement

As at 31 December 2015

List	Financial Statements						Statement of Change
	2013		2014		2015		
	Amount	%	Amount	%	Amount	%	%
Income							
Revenue from sales	1,106.9	99.7	1093.9	99.7	1,273.1	98.9	16.4
Other incomes	3.1	0.3	3.3	0.3	13.7	1.1	310.4
Total revenues	1,110.0	100.0	1,097.3	100.0	1,286.8	100.0	17.3
Operating expenses							
Cost of sales	942.9	84.9	933.7	85.1	1,097.9	85.3	17.6
Selling expense	28.5	2.6	32.7	3.0	30.0	2.3	(8.2)
Administrative expense	49.3	4.4	58.0	5.3	63.5	4.9	9.4
Total Expenses	1,020.8	92.0	1,024.5	93.4	1,191.4	92.6	16.3
Profit (Loss) before finance costs and income tax expense	89.2	8.0	72.8	6.6	95.4	7.4	31.0
Finance costs	11.3	1.0	8.9	0.8	24.1	1.9	169.6
Profit before income tax expense	78.0	7.0	63.9	5.8	71.3	5.5	11.6
Income tax expense	15.8	1.4	13.4	1.2	14.4	1.1	7.8
Profit (Loss) for the year	62.2	5.6	50.5	4.6	56.9	4.4	12.7
Earnings (loss) per share1	0.2182		0.1771		0.1919		8.4
Total authorized number of ordinary shares (1,000 Shares)2	285.0		285.0		296.2		0.0
Earnings per share Fully Diluted (Baht per share)3	0.2182		0.1771		0.1663		(6.1)

Statement of Financial Position

Unit : Million Baht

List	Financial Statements						Statement of
	2013		2014		2015		Change
	Amount	%	Amount	%	Amount	%	%
Assets							
Current assets							
Cash and cash equivalents	45.8	4.9	26.4	2.2	136.4	7.6	416.0
Trade receivables (Net)	145.1	15.5	146.5	12.4	197.6	11.0	34.9
Other receivables	1.8	0.2	1.3	0.1	1.9	0.1	54.8
Short-term loans to related parties	-	-	-	-			
Temporary investments	-	-	-	-			
Accrued compensation from the insurance company	-	-	-	-			
Inventories	356.3	38.1	240.1	20.4	677.3	37.6	182.0
Other current assets	3.6	0.4	4.2	0.4	3.9	0.2	(7.4)
Total current assets	552.6	59.0	418.5	35.5	1,017.1	56.5	143.0
Non-current assets							
Long-term loans	-	-	-	-	-	-	-
Property, plant and equipment	377.1	40.3	752.9	63.9	780.5	43.3	3.7
Deferred tax assets	2.8	0.3	3.8	0.3	1.1	0.1	(72.1)
Other non-current assets	3.7	0.4	3.0	0.3	2.1	0.1	(29.3)
Total non-current assets	383.5	41.0	759.7	64.5	783.7	43.5	3.2
Total assets	936.1	100.0	1,178.2	100.0	1,800.8	100.0	52.8

Unit : Million Baht

List	Financial Statements						Statement of
	2013		2014		2015		Change
	Amount	%	Amount	%	Amount	%	%
Liabilities							
Current liabilities							
Short-term loans							
from financial institutions	277.3	29.6	120.7	10.2	830.7	46.1	588.2
Bank overdrafts	18.0	1.9	99.2	8.4	72.0	4.0	100.0
Trade payables							
Related parties	1.3	0.1	1.4	0.1	1.7	0.1	23.7
Others	34.3	3.7	48.8	4.1	50.2	2.8	2.9
Expenses payable	13.1	1.4	11.6	1.0	12.8	0.7	10.0
Income tax payable	7.3	0.8	8.7	0.7	9.8	0.5	12.8
Other current liabilities	8.0	0.9	17.2	1.5	14.1	0.8	(18.0)
Total current liabilities	359.3	38.4	307.6	26.1	991.3	55.0	222.3
Non-current liabilities							
Long-term loans from							
financial institutions	2.9	0.3	270.9	23.0	4.1	0.2	100.0
Employee benefit liabilities	0.4	0.0	0.5	0.0	0.6	0.0	33.4
Rent payable	4.1	0.4	7.5	0.6	11.3	0.6	52.1
Total non-current liabilities	7.4	0.8	278.8	23.7	16.1	0.9	(94.2)
Total liabilities	366.7	39.2	586.4	49.8	1,007.3	55.9	71.8



Unit : Million Baht

List	Financial Statements						Statement of Change
	2013		2014		2015		
	Amount	%	Amount	%	Amount	%	%
Shareholders' equity							
Authorized and paid-up share capital	285.0	30.4	285.0	24.2	342.0	19.0	20.0
Surplus on revaluation of property							
Surplus Exchange	167.3	17.9	167.3	14.2	281.3	15.6	68.1
Retained earnings							
Appropriated - Legal reserve	18.7	2.0	21.3	1.8	24.2	1.3	13.6
Unappropriated	98.4	10.5	118.2	10.0	146.0	8.1	23.5
Total shareholders' equity	569.4	60.8	591.8	50.2	793.5	44.1	34.1
Total liabilities and shareholders' equity	936.1	100.0	1,178.2	100.0	1,800.8	100.0	52.8

**Cash Flows**

Unit : Million Baht

List	Financial Satatements		
	2013	2014	2015
Cash flows from operating activities			
Profit before income tax expense	78.0	63.9	71.3
Adjustments for			
Doubtful (Reversal)	(0.1)	(0.1)	1.9
Depreciation	20.1	20.7	35.6
Allowance for decline in value of inventories	(0.3)	1.3	0.0
Unrealized gain (loss) on foreign currency exchange	0.5	0.1	0.5
Income compensation	0.0	0.0	0.0
Employee benefit expense	0.1	0.1	0.1
Profit from actuarial estimates.	0.0	0.0	0.0
Interest income	(0.2)	(0.2)	(0.4)
Interest expense	10.6	8.5	23.6
Profit provided by operating activities before changes in operating assets and liabilities	108.6	94.3	132.7
Decrease (increase) in operating assets			
Trade and other receivables	(21.4)	(0.9)	(53.7)
Inventories	166.9	116.2	(437.2)
Other current assets	1.9	(0.5)	0.3
Other non-current assets	(0.1)	0.0	0.0
Increase (decrease) in operating liabilities			
Trade and other payables	(200.9)	22.2	(2.9)
Other current liabilities	(0.2)	0.2	2.2
Other non-current liabilities	1.2	3.3	3.9
Cash generated from the operations	56.0	234.7	(354.7)
Interest received	0.2	0.2	0.3
Interest expense	(10.5)	(8.8)	(23.2)
Income tax paid	(12.3)	(12.6)	(14.0)
Net cash provided (used) by operating activities	33.4	213.7	(391.5)



Unit : Million Baht

List	Financial Satatements		
	2013	2014	2015
Cash flows from investing activities			
Purchased of plant and equipments	(35.2)	(389.3)	(58.6)
Cash paid for interest capitalized to cost of assets	0.0	(7.9)	(4.7)
Cash received from sale of plant and equipment	0.4	0.9	0.0
Cash paid for machines deposited	(29.8)	0.0	0.0
(Increase) Decrease in others non-current assets	(0.0)	(0.7)	0.9
Net cash used in investing activities	(64.7)	(397.1)	(62.3)
Cash flows from financing activities			
Increase (Decrease) in short-term loans from financial institutions	57.1	(156.6)	709.6
Proceeds from long-term debts	20.9	373.9	51.5
Acquisition in capital interests	0.0	0.0	171.0
Payments of finance lease	0.0	0.0	0.0
Payments of long-term loans	0.0	(24.8)	(345.4)
Dividends paid	(42.7)	(28.5)	(22.8)
Net cash received (used) in financing activities	35.3	164.0	563.8
Cash and cash equivalent items increase(decrease)-net	4.0	(19.4)	110.0
Cash and cash equivalent items at the beginning of the year	41.8	45.8	26.4
Cash and cash equivalent items at the end of the year	45.8	26.4	136.4

Financial Ratio

List	Unit	Financial Satatements		
		2013	2014	2015
Liquidity Ratio				
Current Ratio	Time	1.54	1.36	1.03
Quick Ratio	Time	0.52	0.56	0.33
Cash Flow Ratio	Time	0.08	0.64	NA
Accounts Receivable Turnover Ratio	Time	7.88	7.21	7.12
Average Collection Period Ratio	Day	45.70	49.93	50.58
Inventory Turnover Ratio	Time	2.14	3.13	2.39
Average Days Sales Ratio	Day	167.89	114.98	150.42
Payable Turnover Ratio	Time	6.83	21.76	21.49
Debt Repayment Period Ratio	Day	52.68	16.55	16.75
Cash Cycle	Day	160.91	148.36	184.25
Profitability Raito				
Gross Profit Margin	%	14.81	14.64	13.76
Operating Income Margin	%	7.78	6.35	6.42
Others Profit Margin	%	0.28	0.30	1.06
Cash Profit Margin	%	38.82	307.59	NA
Net Profit Margin	%	5.60	4.60	4.42
Return on Equity Ratio	%	11.11	8.69	8.21
Efficiency Raito				
Return On Assets Ratio	%	6.31	4.77	3.82
Return On Fixed Assets Ratio	%	23.20	12.59	12.06
Assets Turnover Ratio	Time	1.13	1.04	0.86
Financial Policy Raito				
Debt to Net Worth	Time	0.64	0.99	1.27
Interest Coverage Ratio	Time	5.37	26.42	NA
Debt to Equity Ratio	Time	1.60	0.36	1.38
Price to Earning Ratio	%	68.75	56.47	40.10
Per share data (Par value of Baht 1 per share)				
Book value per share	Baht	2.00	2.08	2.32
Earnings Per Share*	Baht	0.2182	0.1771	0.1919

Management Discussion and Analysis

Performance

Results of operations and financial position of TS Flour Mills Co., Ltd. (Thailand) in 2015 can be summarized as follows.

- Revenue

Year of 2015, the Company's revenue from selling is 1,273.1 million baht, increase 16.4 percent from the previous year which is 1,093.9 million baht. The sale volume of the wheat is increase 21 percent but the sales price has been become lower to align with the price of wheat, which is the main raw material. Other income was 13.7 million baht, increase of 10.4 million baht from last year. The company has gains from foreign exchange hedging. The other income is equal to 1.1 percent of total income.

- Costs and expenses

In 2015 the cost of wheat decreased in proportion to the sales price less the dough slightly. As a result, sales of the company was at 1,097.9 million baht or 86.2 percent of revenue from sales. It has increased compare to last year that equal 85.4 percent.

In 2015, the Company's cost of sales of 30.0 billion baht, representing 2.4 percent of revenue from sales. Reduction of the proportion of the previous year by 3.0 percent, mainly due to promotional and gas transport flour TASTE down.

The Company's administrative expenses were 63.5 million baht by the main items. The costs include administration. The cost of the staff Depreciation Utility Bills The land lease, warehouse, maintenance and repairs. A portion of the cost of administration of the income from the sale was only 5.0 percent decrease proportions last year that equal 5.3 percent, due primarily to not have expence for registered 3.0 million baht in 2015.

- Profit

In 2015, gross profit margin of the company is at 13.8 percent, lower than the gross profit margin of the company in the same period of the previous year by 14.6 percent, which is caused by a increase in the proportion of income less is more than proportional to the increase in cost of sales was 1.2 percent.

The Company had a net profit of 56.9 million baht in 2015 compared with the same period of the previous year's net profit was increase 6.4 million baht or 12.7 percent. Revenue from sales 1,093.9 million baht, representing a growth rate of 16 percent. The volume of sales increased by 21 percent from last year, but average sales price decreased by 4.3 percent.

However, if the comparison shows that 2015 EBITDA margin to 40 percent higher than in 2014. This reflects the ability to make a profit increase of TMILL.

- Assets

The Company's total asset at the end of 2015 was 1,800.8 million baht. It's more than at the end of 2014, 622.6 million baht, representing an increase of 52.8 percent by the increase mainly from an increase in cash and cash equivalents 110.0 million baht, increase in receivables 51.1 million baht and increase in inventories 437.2 million baht.

Trade debtors

At the end of 2015, the company's net trade debtors were 197.6 million baht, an increase 34.9 percent from the end of 2014, which is at 146.5 million baht. By all the trade debtors are from unrelated parties, and the increasing number of debtors are classified under the not due and overdue less than 3 months.

The Company evaluated doubtful accounts by analyzing payment histories, and predict the future obligations of the debtor that is not expected to be paid for the year 2015. The company has 2.2 million baht additional loan loss provisioning, and bad debt recoveries amounting to 0.4 million baht.

Inventories

At the end of 2015, the company's inventories were 677.3 million baht, up from inventories at the end of 2014, which was 240.1 million baht or 182.0 percent, and the accounting for inventories relative to total assets is a percentage. 37.6 at the end of 2015, up from 20.4 percent at the end of 2014. By the end of 2015, most of the inventory is raw materials in the amount of 639.2 million baht. But the raw materials at the end of 2014 was 212.0 million baht. The increase is significant. Since the raw material reserves to meet the capacity increases and material price is interesting.

Property and equipment, net

Office buildings, factories, warehouses and silos Phase 1 of the Company is located on land lease of 30 years, commencing on August 1, 2010 to July 31, 2040 the silo Phase 2 of the Company is located in a warehouse for 30 years from the date of April 1, 2014 to March 31, 2044, the Company leased the 2 of Thailand Sugar Terminal contents (Public) ("TSTE"), plant and equipment of the Company; mainly comprised of machine building plant equipment, lab equipment and vehicles.

At the end of 2015, the Company's fixed assets in the amount of 780.5 million baht, representing relative to the total assets of the Company 43.3 percent, mainly consist of machinery and equipment equal to 421 million baht, buildings and building improvements 161.2 million baht, utilities 38.2 million baht, furniture and office supplies 4.8 million baht, and vehicle and 10.0 million baht, and in 2015 there's delivered of extensions to increase the production capacity from 250 tons per day to 500 tons per day. So, the building assets from 2014 were decreased from 443.3 million baht to 144.4 million baht by the end of 2015.

Efficiency ratios of operation

The company's return from assets and fixed assets in 2015 which are at 3.82 and 12.06, respectively, which were lower than in 2014 due to total assets and fixed assets in 2015 increased as mentioned above.

In 2014-2015, the Company's asset turnover was 1.04 and 0.86, respectively.

Liquidity and Sources of funding the company.**Cash Flow**

In 2015, the company had cash flow paid for operations of 391.5 million baht, with the main item is the profit before tax of 71.3 million baht, which was updated with items such as depreciation and interest paid profit from operations before changes in operating assets and liabilities at 132.7 million baht, while the increase in accounts receivable and 53.7 million baht, with an increase in inventories of 437.2 million baht, an increase in accounts payable trade amounted to 2.9 million baht, mostly foreign trade. The list of foreign trade company occurs between the suppliers of the Company. Materials brought aboard as the Declaration (Bill of Lading), the company is yet to come.

The Company's cash flow paid for investing activities 62.3 million baht as payment for the purchase of fixed assets of Baht 63.3 million baht.

The Company's cash flow from financing activities was 563.8 million baht was received long-term loans from financial institutions to invest in expanding the capacity of 51.5 million baht to pay back the loan in the amount of 345.4 million baht, and get short-term loans to pay for wheat, which is a raw material in the production of 709.6 million baht, capital increase 171.0 million baht and paid dividends of 22.8 million baht.

Liquidity

A decreasing in the ratio in 2015 from 2014 due to the ratio of current assets increase less than current liabilities. The current assets at the end of 2015, up 143.0 percent from the end of 2014, due mainly to the increase in inventories, cash and cash equivalent. The current liabilities at the end of 2015, up 222.3 percent from the end of 2014 was mainly due to an increase in short-term loans from financial institutions.

- Liabilities

At the end of 2015 and 2014, the Company's total debt was equal to 1,007.3 million baht and 586.4 million baht respectively. The increase in total liabilities in 2015, the main factor is the increase in short-term loans from financial institutions for transfer to material's supplier.

Liabilities of the Company The debt with interest payments by the end of 2015, the Company had outstanding equal to 906.8 million baht, representing relative to the shareholders of the company was 1.14 times increase from the end of 2014, which equals 0.8 times as much as the capital from shareholders amounted to 793.5 million baht and 591.8 million baht at the end of year 2015 and 2014.

In 2015 the company has a long-term loan to expand the capacity for which the Company has received payment from the financial institutions in the amount of 550 million baht, and has drawn on the progress of work at the end of 2015 the company. has been drawn up according to the 446.3 million baht and already paid some amount of Baht 370.2 million in debt outstanding long-term borrowings 76.1 million baht will be due within one year amounted to 72.0 million baht.

- **Equity shares**

At the end of 2015, the Company's equity shares, equal to 793.5 million baht, an increase of 201.7 million baht from the end of 2014 as a result of comprehensive income as dividends 56.9 million baht, capital increase 171.0 million baht and paid dividends 22.8 million baht.

- **Capital Structure**

Debt to equity at the end of the year 2015 and 2014 were 1.27 times and 0.99 times, respectively, the increase in the ratio of debt to shareholders' equity at the end of 2014, due primarily to the increase short-term loans from financial institutions making the total debt increase 71.8 percent. While the rest of the shareholders at the end of 2015 increased 34.1 percent compared with the end of 2014.

Report of the committees responsibility in doing financial report (2015)

The boards of directors are responsible for financial budget and all information that are appeared in the annual report. An annual financial report of December 31, 2015 had made following the global accounting standard by using appropriate policies with prudence. All information is full with important detail which is enough for understanding financial position, overall operation and company's cash flow with transparency. The information will be beneficial for shareholders and other investors which are proved by an auditor (A M C Office Co., Ltd.) giving opinion without comments thoroughly. During the auditing process, the Company totally supports an auditor by giving important information and documents so that the auditor can do his job successfully.

Moreover, the boards of director also efficiently and effectively maintain internal system to examine and control its organization. The boards of directors agree that the internal system of its organization is perfect enough to create confidence for the financial report of the Company in December 31, 2015.

Furthermore, the boards of Committee appoint audit committees which are independent committees. Audit committees will be responsible for financial report in order to make it work properly as well as internal control system supporting information to an auditor. The opinions of audit committees have already appeared through the audit committees' part of annual report.



(Mr. Prapas Chutimaworaphan)
Chairman of the Executive Board



(Dr. Charnkrij Dejvitak)
Executive vice chairman & Managing Director



Mr. Prapas Chutimaworaphan



Dr. Charnkrij Dejvitak



Part II

T S Flour Mill Public Company Limited

Financial Statement

For the Year's Ended 2015

AUDITOR'S REPORT

To the Shareholders of T S FLOUR MILL PUBLIC COMPANY LIMITED

I have audited the accompanying financial statements of T S FLOUR MILL PUBLIC COMPANY LIMITED, which comprise the statements of financial positions as at December 31, 2015, and the related 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 notes.

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of T S FLOUR MILL PUBLIC COMPANY LIMITED as at December 31, 2015, and their financial performance and cash flows for the year ended in accordance with Thai Financial Reporting Standards.

Other Matter

The financial statements of T S FLOUR MILL PUBLIC COMPANY LIMITED for the year ended December 31, 2014, which presented for comparative information purposes, were audited by another auditor in the same audit firm, who expressed an unqualified opinion on those financial statement in her report dated February 26, 2015.

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

(Mr. Naris Saqwalagsakul)

Certified Public Accountant Registration No. 5369

Bangkok,

February 25, 2016

T S FLOUR MILL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITIONS

As at December 31, 2015

(Unit : Baht)

	Notes	December 31, 2015	December 31, 2014	January 1, 2014
			(Restated)	(Restated)
<u>Assets</u>				
Current assets				
Cash and cash equivalent items	6	136,396,171	26,433,596	45,821,921
Trade and other receivables	7	199,578,462	147,770,119	146,832,739
Inventories	8	677,316,713	240,140,720	356,293,212
Other current assets		3,856,005	4,163,045	3,640,078
Total current assets		1,017,147,351	418,507,480	552,587,950
Non-current assets				
Plant and equipment	9	780,479,531	752,898,555	377,112,070
Deferred tax assets	10	1,058,162	393,726	-
Other non-current assets		2,130,437	3,012,652	3,662,018
Total non-current assets		783,668,130	756,304,933	380,774,088
Total assets		1,800,815,481	1,174,812,413	933,362,038

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

T S FLOUR MILL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITIONS

As at December 31, 2015

(Unit : Baht)

	Notes	December 31, 2015	December 31, 2014	January 1, 2014
			(Restated)	(Restated)
<u>Liabilities and shareholders' equity</u>				
Current liabilities				
Short-term loans from financial institutions	12	830,656,014	120,693,277	277,277,611
Trade and other payables	13	70,828,080	73,281,677	51,188,464
Current portion of long-term loan	14	72,000,000	99,200,000	18,000,000
Accrued income tax payable		9,784,555	8,671,990	7,274,211
Other current liabilities		7,985,483	5,753,687	5,589,533
Total current liabilities		991,254,132	307,600,631	359,329,819
Non-current liabilities				
Long-term loan from financial institution	14	4,133,536	270,859,105	2,916,585
Employee benefit obligations	15	601,187	450,677	367,644
Deferred tax liabilities		-	-	159,679
Other non-current liabilities	5.1	11,339,137	7,455,673	4,110,790
Total non-current liabilities		16,073,860	278,765,455	7,554,698
Total liabilities		1,007,327,992	586,366,086	366,884,517

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

T S FLOUR MILL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITIONS

As at December 31, 2015

				(Unit : Baht)
	Notes	December 31, 2015	December 31, 2014	January 1, 2014
			(Restated)	(Restated)
Shareholders' equity				
Share capital	16			
Authorized share capital				
399,000,000 ordinary shares @ Baht 1.00 each		399,000,000	-	-
285,000,000 ordinary shares @ Baht 1.00 each		-	285,000,000	285,000,000
Issued and paid-up share capital				
342,000,000 ordinary shares @ Baht 1.00 each		342,000,000	-	-
285,000,000 ordinary shares @ Baht 1.00 each		-	285,000,000	285,000,000
Premiums on ordinary shares	16 and 18	281,320,594	167,320,594	167,320,594
Retained earnings				
Appropriated				
Legal reserve	18	24,200,000	21,300,000	18,700,000
Unappropriated		145,966,895	114,825,733	95,456,927
Total shareholders' equity		793,487,489	588,446,327	566,477,521
Total liabilities and shareholders' equity		1,800,815,481	1,174,812,413	933,362,038

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

T S FLOUR MILL PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2015

		(Unit : Baht)	
	Notes	2015	2014
			(Restated)
Revenue from sales		1,273,099,028	1,093,928,701
Cost of sales		(1,097,909,166)	(933,745,223)
Gross profit		175,189,862	160,183,478
Other income		13,683,034	3,333,941
Selling expenses		(30,010,989)	(32,687,388)
Administrative expenses		(63,474,234)	(58,032,563)
Finance cost		(24,084,556)	(8,933,080)
Profit before income tax		71,303,117	63,864,388
Income tax expenses	21	(14,440,323)	(13,396,582)
Profit for the year		56,862,794	50,467,806
Items that will not be reclassified to profit or loss			
Actuarial losses arising from defined benefit plan		(27,060)	-
Income tax relevance with other comprehensive income	21	5,412	-
Other comprehensive income for the years-net of tax		(21,648)	-
Total comprehensive income for the years		56,841,146	50,467,806
Basic earnings per share	22	0.19	0.18

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

T S FLOUR MILL PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2015

					(Unit : Baht)
		Issued and paid-up share capital	Premiums on share capital	Retained Earnings Appropriated legal reserve	Unappropriated Total shareholders' equity
	Notes				
Balance as at January 1, 2014 (previously reported)		285,000,000	167,320,594	18,700,000	98,372,972
The effect of correction of errors	3	-	-	-	(2,916,045)
Balance as at January 1, 2014 (restated)		285,000,000	167,320,594	18,700,000	95,456,927
Profit for the year (restated)		-	-	-	50,467,806
Other comprehensive income		-	-	-	-
Total comprehensive income for the year (restated)		-	-	-	50,467,806
Appropriated legal reserve	18	-	-	2,600,000	(2,600,000)
Dividend paid	19	-	-	-	(28,499,000)
Balances as at December 31, 2014		285,000,000	167,320,594	21,300,000	114,825,733
Profit for the year		-	-	-	56,862,794
Other comprehensive income		-	-	-	(21,648)
Total comprehensive income for the years		-	-	-	56,841,146
Increased ordinary shrares	18	57,000,000	114,000,000	-	-
Appropriated legal reserve	18	-	-	2,900,000	(2,900,000)
Dividend paid	19	-	-	-	(22,799,984)
Balances as at December 31, 2015		342,000,000	281,320,594	24,200,000	145,966,895

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

T S FLOUR MILL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015

(Unit : Baht)

	2015	2014
Cash flow from operating activities		
Profit before income tax	71,303,117	63,864,388
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities :-		
Doubtful accounts (reversal)	1,854,030	(83,433)
Depreciation	35,617,787	20,690,642
Loss from written-off other non-current assets	-	1,362,889
Gain from disposed	(6,377)	(52,265)
Unrealized loss on exchange rate	528,041	145,281
Written-off work in constuction to expense	32,800	-
Employee benefits expenses	123,450	83,033
Interest income	(352,191)	(228,353)
Interest expenses	23,552,440	8,474,006
Profit from operation before changes in operating assets and liabilities	132,653,097	94,256,188
Operating assets (increase) decrease		
Trade and other receivables	(53,656,206)	(854,357)
Inventories	(437,175,993)	116,152,492
Other current assets	307,040	(522,967)
Operating liabilities increase (decrease)		
Trade and other payables	(2,943,032)	22,209,482
Other current liabilities	2,231,796	164,154
Other non-current liabilities	3,883,464	3,344,883
Cash received from operating activities	(354,699,834)	234,749,875
Interest received	346,024	228,763
Interest paid	(23,222,367)	(8,763,444)
Income tax paid	(13,986,782)	(12,552,208)
Net cash received from (used in) operating activities	(391,562,959)	213,662,986

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

T S FLOUR MILL PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015

		(Unit : Baht)	
	Note	2015	2014
Cash flow from investing activities			
Cash paid for assets purchased		(58,576,335)	(389,347,423)
Cash paid for interest capitalized to cost of assets		(4,668,243)	(7,897,778)
Cash received from sale of plant and equipment		45,275	905,223
Increase (Decrease) in other non-current assets		882,215	(713,523)
Net cash used in investing activities		(62,317,088)	(397,053,501)
Cash flow from financing activities			
Increase (Decrease) in short-term loan from financial institutions		709,568,175	(156,641,330)
Cash received from long-term loan from financial institutions		51,474,431	373,942,520
Cash paid for long-term loan from financial institutions		(345,400,000)	(24,800,000)
Cash received from increased ordinary shares		171,000,000	-
Dividend paid		(22,799,984)	(28,499,000)
Net cash received from financing activities		563,842,622	164,002,190
Cash and cash equivalent items increase(decrease)-net		109,962,575	(19,388,325)
Cash and cash equivalent items at the beginning of the year		26,433,596	45,821,921
Cash and cash equivalent items at the end of the year	6	136,396,171	26,433,596

Additional disclosure :

Items not affecting cash flow are as follows :-

- Transfer deposited for machines deposited to machinery under installation	-	29,808,550
- Purchase plant and equipment by credit	124,734	-

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

T S FLOUR MILL PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. General information

T S FLOUR MILL PUBLIC COMPANY LIMITED (The Company) was registered on February 3, 1977 as a limited company under Civil and Commercial Code with company registration number 0105520001455 and later registered its conversion to a public company limited on June 29, 2010 with registration number 0107553000131. Its registered office and factory are located at 90/9 Moo 1, Soi Siamsilo, Poochaosamingphrai Road, Tambon Samrongklang, Amphur Phrapradaeng, Samutprakarn Province, Thailand. Presently the Company operates businesses in Thailand relating to production and distribution of wheat flour.

The Parent Company is Thai Sugar Terminal Public Co., Ltd., which holds 69.34% of the Company's shares which is incorporated in Thailand.

On November 23, 2012, the Company was listed on The Market for Alternative Investment of Thailand and commenced public trading of its ordinary shares on the same date.

2. Basis of financial statements preparation

2.1 The financial statements are issued for Thai reporting purposes in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

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

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

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

2.3 New financial reporting standards

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

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

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS)</u>	
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 4 (revised 2014)	Insurance Contracts
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
<u>Thai Accounting Standard Interpretations (TSIC)</u>	
TSIC 10 (revised 2014)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases-Incentives
TSIC 25 (revised 2014)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs
<u>Thai Financial Reporting interpretations (TFRIC)</u>	
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies (Revised 2014)
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmers
TFRIC 14	TAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Revised 2014)
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

2.3.2 New and revised financial reporting standards not yet effective

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

<u>Reference standard No.</u>	<u>Name</u>
The Conceptual financial Reporting Standards (revised 2015)	
<u>Thai Accounting Standards (TAS)</u>	
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
<u>Thai Accounting Standard Interpretations (TSIC)</u>	
TSIC 10 (revised 2015)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases-Incentives
TSIC 25 (revised 2015)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue-Barter Transactions involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs
<u>Thai Financial Reporting Interpretations (TFRIC)</u>	
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under IAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmer
TFRIC 14 (revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

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

- 2.4 The Company have been reclassified to correspond with the presentation of the financial statements with no effect to the reported total comprehensive income for the year or shareholders' equity. The reclassifications comprised of the following:-

	(Unit : Baht)		
	Before	Reclassified	After
	reclassified	Increase(decrease)	reclassified
Statements of comprehensive income for the year ended December 31, 2014			
Selling expenses increased	27,271,207	5,416,181	32,687,388
Administrative expenses decreased	63,448,744	(5,416,181)	58,032,563

- 2.5 Preparation of the financial statements in conformity with Thai Financial Reporting Standard requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

Estimates and underlying assumptions used in preparation of financial statements will be revised regularly. Revisions to accounting estimates are recognized in the period in which those estimates are revised and in any future periods affected. The significant estimates and assumptions are as follows: -

Leases

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

Allowance for doubtful debt

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

Allowance for the cost of goods exceeding net realizable value

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

Plant and equipment and depreciation

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

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

Deferred tax assets

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

Estimate on employee benefit obligations

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

Litigation

The Company has contingent liabilities as a result of the litigation. The management has used judgment to assess of the results of the litigation and believes that no significant loss will be resulted. Therefore no contingent liabilities are recorded as at the end of reporting period, as mentioned in the note to financial statement No.25.

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

3. Correction of errors

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

	(Unit Baht)		
	Before adjustment	Adjustment increase (decrease)	After adjustment
Statements of financial position as at January 1, 2014			
Deferred tax assets decrease	2,756,366	(2,756,366)	-
Deferred tax liabilities increase	-	159,679	159,679
Retained earnings decrease	98,372,972	(2,916,045)	95,456,927
Statements of financial position as at December 31, 2014			
Deferred tax assets decrease	3,787,812	(3,394,086)	393,726
Retained earnings decrease	118,219,819	(3,394,086)	114,825,733
Statements of comprehensive income for the year ended December 31, 2014			
Income tax expenses increase	12,918,541	478,041	13,396,582
Profit for the year decrease	50,945,847	(478,041)	50,467,806

4. Summary of significant accounting policies

- 4.1 Cash and cash equivalents consist of cash in hand and at banks, and all highly liquidity investments with an original maturity of three months or less and not subject to withdrawal restrictions.
- 4.2 Trade and other receivables are shown at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments from the uncollectability of each account receivable. Bad debts are written off when incurred.

- 4.3 Inventories are shown at the lower of cost or net realizable value, cost is calculated using the first in first out basis.

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

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

- 4.4 Plant and equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).

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

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

Gains or losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognized net within other income or other expense in profit or loss.

Subsequent costs, the cost of replacing a part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. The estimated useful lives are as follows:

- Building and Building improvement	30	years
- Machine and equipment	20-30	years
- Utilities	20	years
- Furniture and office equipment	3-10	years
- Vehicle	7-20	years

No depreciation is calculated for the assets in construction and machine during installation.

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

- Accounting software	10	years
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- 4.6 Impairment of Assets, the carrying amounts of the Company's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

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

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

- 4.7 Trade and other accounts payable are shown at cost.
- 4.8 Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in profit or loss over the period of the borrowings on an effective interest basis.
- 4.9 Leases of property or equipment which substantially transfer all the risks and rewards of ownership to the lessees are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss. When a sale and leaseback results in a finance lease, any gain on the sale is deferred and recognized as income over the lease term. The property or equipment acquired under finance leases is depreciated over the useful life of the asset.

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

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

4.10 Employee benefits

Short-term employee benefits

The Company recognizes salaries, wages, bonuses and contributions to Social Security Fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and 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 recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

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

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

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

- 4.11 Provision is recognized in the statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.
- 4.12 Revenues recognition excludes value added taxes and present net off trade discounts with the following policies: -
 - 4.12.1 Revenue from sales are recognized in the profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or render of services or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.
 - 4.12.2 Revenues from interest received are recognized according to the related period.
 - 4.12.3 Other revenues are recognized by accrual basis.

4.13 Expenses recognition are as follows :-

- 4.13.1 Payments made under operating leases are recognized on a straight-line basis over the term of the lease.
 - 4.13.2 Finance costs such as interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.
 - 4.13.3 Other expenses are recognized by accrual basis.
- 4.14 Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

Current tax

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

Deferred tax

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

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

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

- 4.15 Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders (excluding other comprehensive income) by the weighted average number of common shares outstanding during the year.
- 4.16 Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the reporting date are translated into Baht at the rates ruling on that date. Exchange gains or losses are included as incomes or expenses in profit or loss.
- 4.17 The related parties and related companies with the Company meant individuals or enterprises which have the controlling power over the Company or are controlled by the Company either directly or indirectly, or under the same control with the Company. Furthermore, the related parties or related companies are also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly and have significant influence to the Company, important management, directors or the employees of the Company who have the power to plan and control the operations of the Company including the family members close to the said persons which could persuade or have power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.
- 4.18 The sectoral business operation is disclosed under the separate business sectors of the Company, by the business sector that acquires products or provides services which have different risks and return from the risks and return of the products or services provide by other business sectors
- 4.19 Financial instruments consisted of financial assets and liabilities which carried on the statements of financial positions include cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, and loan receivables and payables. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

Foreign currency forward contracts are meant to prevent risk from volatile movements in exchange rates by establishing a future rate at which a foreign currency asset and liability will be settled. Gain or loss from the foreign currency forward contracts will be recorded in profit or loss when the contracts are settled or contractual terms are expired.

4.20 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

Level 3 - Use of unobservable inputs such as estimates of future cash flows.

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

5. Inter-transactions between related parties

The Company incurred business transactions with related entities, which have the same group of shareholders or mutual directors. Such transactions are based on commercial terms and according to criteria agreed between the Company and those companies. The transactions are summarized below: -

5.1 Inter-assets and liabilities

(Unit : Baht)		
<u>As at December 31,</u>		
<u>Type of items/company name</u>	<u>2015</u>	<u>2014</u>
- Deposit payment		
Thai Sugar Terminal Public Co., Ltd.	1,738,300	2,143,300
T S Oil Industry Co., Ltd.	-	489,600
Total	<u>1,738,300</u>	<u>2,632,900</u>
- Trade payable		
T S Transport and Logistics Co., Ltd.	1,702,819	1,376,288
- Other accrued expenses		
Thai Sugar Terminal Public Co., Ltd.	-	14,164
- Other non-current liabilities		
Thai Sugar Terminal Public Co., Ltd.	11,339,137	7,455,673

5.2 Inter-revenues and inter-expenses

(Unit : Baht)		
<u>For the year ended December 31,</u>		
<u>Type of items/company name</u>	<u>2015</u>	<u>2014</u>
- Expenses of land rental		
Thai Sugar Terminal Public Co., Ltd.	5,410,958	5,410,958
- Expenses of warehouse rental		
Thai Sugar Terminal Public Co., Ltd.	9,077,632	10,516,358
- Expenses of silo rental		
T S Oil Industry Co., Ltd.	122,400	2,937,600

(Unit : Baht)		
<u>For the year ended December 31,</u>		
<u>Type of items/company name</u>	<u>2015</u>	<u>2014</u>
- Expenses of packing		
T S Transport and Logistics Co., Ltd.	14,681,580	13,643,500
- Expenses of providing transportation		
Thai Sugar Terminal Public Co., Ltd.	-	8,693,789
- Expenses of security services		
T S Transport and Logistics Co., Ltd.	-	370,000
- Other expenses		
Thai Sugar Terminal Public Co., Ltd.	1,323,842	195,048
T S Warehouse Co., Ltd.	10,000	-
Total	<u>1,333,842</u>	<u>195,048</u>
- Dividend paid		
Thai Sugar Terminal Public Co., Ltd.	15,810,648	19,673,310
- Directors' and important management's remuneration		
Short-term benefits	23,903,640	21,934,180
Post-employment benefits	208,788	183,732
Total	<u>24,112,428</u>	<u>22,117,912</u>

Policy of inter-price setting

- Expenses of land and warehouse rental that the Company has entered into agreements with its parent and related companies have the following conditions: -
 - 1) A land lease agreement to construct office building and production factory plants. The contractual term is for 30 years, commencing from August 1, 2010 to July 31, 2040. The lease fee for the 1st to 5th year is Baht 350,650 per month and every five years the lease fee is to be increased by 10% of the existing lease fee. The lessee agreed to deposit the rental guarantee at twice the monthly rental fee for every 5-year lease tenor and the initial deposit of Baht 701,300 has been made. When the lease tenor expires and the lessee wants to extend the contractual term of the agreement, the Company shall inform the lessor at least 2 years in advance and the lessor agrees to extend the leasehold right to the lessee to lease the said land further for not more than 30 years. When the lease agreement has been terminated, the Company has the obligation to return the land together with construction (if any) at the condition as at the expiration date of the land lease agreement to the lessor except the contractual parties agreed otherwise regarding the constructions on the leased land.
 - 2) A Warehouse lease agreement to construct silo building and warehouse lease agreements to store inventory. The contractual term is for 30 years, commencing from April 1, 2014 to March 31, 2044. The lease fee for the 1st to 5th year is Baht 518,500 per month and every five years the lease fee is to be increased by 15% of the existing lease fee. The lessee agreed to deposit the rental guarantee at twice the monthly rental fee for every 5-year lease tenor and the initial deposit of Baht 1,037,000 has been made. When the lease tenor expires and the lessee wants to extend the contractual term of the agreement, the Company shall inform the lessor in advance at least 2 years.
 - 3) Warehouse rental agreements to store raw materials conform to terms as in general rental agreements ranging from 6 months to 9 months.
- Inter-other income and other expenses are the price and on the trading term comparable with those applied to other parties in accordance with the conditions of general business in market price.

5.3 Relationship of related companies

Consisted of :-

<u>Company's name</u>	<u>Relationship</u>	<u>Related by</u>
THAI SUGAR TERMINAL PUBLIC CO.,LTD.	Parent company	Direct shareholding 69.34%
T S G ASSET CO., LTD.	Related company	Parent company and mutual executives
T S OIL INDUSTRY CO., LTD.	Related company	Parent company and mutual executives
T S TRANSPORT AND LOGISTICS CO., LTD.	Related company	Parent company and mutual executives
T S WAREHOUSE CO., LTD.	Related company	Parent company and mutual executives

6. Cash and cash equivalent

(Unit : Baht)

	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Cash	20,000	20,000
Bank deposit of saving account	21,511,575	4,354,697
Bank deposit of current account	144,244,595	20,818,449
Cheque on hand	620,001	1,240,450
Total	<u>136,396,171</u>	<u>26,433,596</u>

7. Trade and other receivables

(Unit : Baht)

	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Trade accounts receivable	205,371,769	152,395,084
<u>Less</u> Allowance for doubtful debts	<u>(7,730,506)</u>	<u>(5,876,476)</u>
Trade accounts receivable	197,641,263	146,518,608
Prepaid expenses	1,627,932	824,083
Others	309,267	427,428
Total	<u>199,578,462</u>	<u>147,770,119</u>

Aging analyses for trade accounts receivable were as follows :-

	(Unit : Baht)	
	As at December 31,	
	<u>2015</u>	<u>2014</u>
Domestic trade accounts receivable		
Not yet due	121,413,223	90,839,456
Overdue not over 3 months	74,511,706	54,978,069
Overdue not over 6 months	3,100,948	487,204
Overdue not over 12 months	246,002	-
Overdue over 12 months	6,099,890	6,090,355
Total	205,371,769	152,395,084
<u>Less</u> Allowance for doubtful debts	(7,730,506)	(5,876,476)
Net	197,641,263	146,518,608

The normal credit term granted by the Company ranges from 15 days to 60 days.

The Company has movements in transactions of allowance for doubtful accounts for the years ended December 31, 2015 and 2014 as follows: -

	(Unit : Baht)	
	<u>2015</u>	<u>2014</u>
Beginning balance as at January 1,	5,876,476	5,959,909
<u>Plus</u> Allowance for doubtful debts	2,219,611	-
<u>Less</u> Reversal of allowance for doubtful debts	(365,581)	(83,333)
Ending balance as at December 31,	7,730,506	5,876,476

8. Inventories

Consisted of: -

	(Unit : Baht)	
	As at December 31,	
	<u>2015</u>	<u>2014</u>
Raw materials	408,488,451	139,776,866
Work in process	21,720,109	11,484,470
Finished goods	15,310,731	15,576,482
Supplies	1,108,782	1,058,639
Raw materials in transit	230,688,640	72,244,263
Net	677,316,713	240,140,720

Cost of inventories recorded as expense and included in the cost of goods sold for the years ended December 31, 2015 and 2014, were at the amount of Baht 1,097.91 million and Baht 933.75 million respectively.

9. Plant and equipment

Consisted of: -

	(Unit : Baht)					
	Building and Building improvement	Machine and equipment	Utilities	Furniture and office equipment	Vehicles	Work in construction
Cost :-						
As at January 1, 2014	89,025,147	321,656,369	31,947,989	10,786,158	19,316,127	36,243,403
Purchase	-	16,699,011	-	1,319,633	2,112,149	369,216,630
Interest expense capitalized to cost of assets	-	-	-	-	-	7,982,662
Transfer in	93,610	-	-	-	-	29,808,550
Disposal/Written off	-	(618,600)	-	(202,791)	(2,470,818)	-
Transfer out	-	-	-	(93,610)	-	-
As at December 31, 2014	89,118,757	337,736,780	31,947,989	11,809,390	18,957,458	443,251,245
Purchase	514,350	3,593,783	519,000	2,697,682	3,108,151	48,268,103
Interest expense capitalized to cost of assets	-	-	-	-	-	4,569,392
Transfer in	107,356,233	223,676,135	20,344,068	327,944	-	-
Disposal/Written off	(680,000)	(215,800)	-	(654,781)	-	-
Transfer out	-	-	-	-	-	(351,737,180)
As at December 31, 2015	196,309,340	564,790,898	52,811,057	14,180,235	22,065,609	144,351,560
Accumulated Depreciation :-						
As at January 1, 2014	(27,530,315)	(104,012,540)	(10,557,512)	(7,488,477)	(12,082,829)	-
Depreciation for the year	(2,474,864)	(14,970,729)	(1,597,161)	(1,159,316)	(488,572)	-
Transfer in	(11,744)	-	-	-	-	-
Disposal/Written off	-	392,324	-	201,418	1,845,509	-
Transfer out	-	-	-	11,744	-	-
As at December 31, 2014	(30,016,923)	(118,590,945)	(12,154,673)	(8,434,631)	(10,725,892)	-
Depreciation for the year	(5,756,698)	(24,538,716)	(2,414,366)	(1,610,419)	(1,297,588)	-
Disposal/Written off	680,000	203,446	-	628,237	-	-
As at December 31, 2015	(35,093,621)	(142,926,215)	(14,569,039)	(9,416,813)	(12,023,480)	-
Net Book Value :-						
As at December 31, 2014	59,101,834	219,145,835	19,793,316	3,374,759	8,231,566	443,251,245
As at December 31, 2015	161,215,719	421,864,683	38,242,018	4,763,422	10,042,129	144,351,560

As at December 31, 2015 and 2014, the Company's wheat flour factory building and machines with the book value of 553.57 million and Baht 242.39 million respectively. The Company is abided by the Negative pledge to a financial institution not to engage any financial burden on a factory, machines and related equipment the Company held at the present and in the future as mentioned in the notes to financial statement No.11.

For the years ended December 31, 2015 and 2014, the Company had capitalized the costs of loan of Baht 4.57 million and Baht 7.98 million respectively to the work in progress. The costs of loan are loaned for the purpose of a production expansion and a new silo construction.

As at December 31, 2015 and 2014, the Company's assets were fully depreciated but still in use at cost values of Baht 12.52 million, book value of Baht 1,338.32 and cost values of Baht 13.50 million, book value of Baht 1,034.15 respectively.

As at December 31, 2015 and 2014, the Company's building and construction in progress of factory building with the book value of Baht 169.96 million and Baht 147.99 million respectively, were constructed on the land leased from the parent company, as detailed in the notes to financial statements No. 5.2.

10. Deferred tax assets

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

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Deferred tax assets	4,025,025	2,938,284
Deferred tax liabilities	(2,966,863)	(2,544,558)
Net	<u>1,058,162</u>	<u>393,726</u>

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

	(Unit : Baht)			
	For the year ended December 31, 2014			For the year ended December 31, 2015
	As at January 1, 2014	(Charged) / credited to profit or loss (Note 21)	As at December 31, 2014	As at January 1, 2015 (Charged) / credited to profit or loss (Note 21) (Charged) / credited to other comprehensive income (Note 21) As at December 31, 2015
Deferred tax assets				
Trade accounts receivable				
(Allowance for doubtful debts)	1,191,982	(16,687)	1,175,295	1,175,295
Software installation	-	181,719	181,719	181,719
Employee benefit obligations	73,529	16,607	90,136	90,136
Non current liabilities	822,158	668,976	1,491,134	1,491,134
Total	2,087,669	850,615	2,938,284	2,938,284
Deferred tax liabilities				
Plant and equipment	(2,247,348)	(297,210)	(2,544,558)	(2,544,558)
	(159,679)	553,405	393,726	393,726

11. Credit facilities and guarantee

As at December 31, 2015 and 2014, the Company received the following credit facilities from financial institutions; bank overdraft, short-term and long-term loans, trust receipts, letter of credit and forward exchange contracts from financial institutions, as mentioned in the notes to financial statements No. 12, 14 and 24.1 the Company needs to settle the obligations of mortgage as well as assets pledged as guarantees to the lenders and adjust conditions borrowing to Negative Pledge, including important covenants as follow:-

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

12. Short-term loans from financial institutions

Consisted of: -

	(Unit : Baht)	
	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Bank overdrafts	-	3,814
Promissory note	350,000,000	-
Trust receipts payable	480,656,014	120,689,463
Total	<u>830,656,014</u>	<u>120,693,277</u>

As at December 31, 2015, promissory notes has maturity dated in 1 month the type of call with bearing the interest rates at 2.30-2.315% per annum.

As at December 31, 2015 and 2014, the bank overdrafts and trust receipts payable which loans in Baht currency and foreign currency and bearing the interest rate at MOR and the fixed interest rate basing on the financial market situation respectively.

Short-term loans from financial institution have term of credit facilities and guarantee as mentioned in the notes to financial statement No.11.

13. Trade and other payables

Consisted of: -

(Unit : Baht)

	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Trade accounts payable		
- Trade accounts payable-related parties	1,702,819	1,376,288
- Trade accounts payable-other parties	50,244,121	48,848,847
Total trade accounts payable	51,946,940	50,225,135
Other accounts payable	1,017,253	2,930,467
Accrued expenses-related parties	-	14,164
Accrued expenses-other parties	12,750,611	11,574,799
Retention	4,572,911	8,100,554
Advance received	540,365	436,558
Total	70,828,080	73,281,677

14. Long-term loan from financial institution

Consisted of: -

(Unit : Baht)

	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Long-term loan from financial institution	76,133,536	370,059,105
<u>Less</u> Current portion of long-term loan	(72,000,000)	(99,200,000)
Net	4,133,536	270,859,105

The movements of long-term loans were as follows: -

(Unit : Baht)

	<u>For the year ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Long-term loan as at January,1	370,059,105	20,916,585
Increased in the period	51,474,431	373,942,520
Repaid in the period	(345,400,000)	(24,800,000)
Long-term loan as at December,31	76,133,536	370,059,105

Long-term loan with credit line of Baht 550.00 million was loan obtained from a commercial bank under loan agreement dated September 2, 2013 with important covenants and collaterals as follows: -

- The principal includes Baht 400.00 million and Baht 150.00 million utilized for the purpose of a production expansion and a new silo construction accordingly. The payment installment will be made at the end of each quarter beginning the first installment at the end of December 2014. The payment for each purpose includes Baht 18.00 million and Baht 6.80 million respectively. The last payment will be made on the last working day of March 2020.
- The MLR-MARGIN interest rate of 2.375% per annum will be paid at the end of each month.
- Collaterals and other significant covenants mentioned in the notes to financial statements No.11.

15. Employee benefit obligations

Movement in the employee benefit obligations is as follows :-

	(Unit : Baht)	
	<u>2015</u>	<u>2014</u>
Employee benefit obligations as at January 1,	450,677	367,644
Current service cost	100,161	51,613
Interest cost on obligations	23,289	31,420
Actuarial losses arising from defined benefit plan	27,060	-
Employee benefit obligations as at December 31,	<u>601,187</u>	<u>450,677</u>

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

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
<u>Recognized in profit or loss</u>		
Cost of sales	46,989	31,420
Administrative expenses	76,461	51,613
Total	<u>123,450</u>	<u>83,033</u>
<u>Recognized in other comprehensive income</u>		
Actuarial losses arising from defined benefit plan	27,060	-

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

	<u>2015</u>	<u>2014</u>
Discount rate	4.03%	4.04%
Salary increase rate	Age band	Age band
Employee turnover rate	5.00%	5.00%
Retirement age	55 year	55 year

Assumptions on the future mortality rate hold to the publicly published statistic information. The discount rate is the yield of government bonds that have maturity date approximating the term of the Company's obligations.

16. Share capital

Authorized share capital and paid up share capital are movement as follow

	Par	<u>2015</u>		<u>2014</u>	
	Value	Number of	Amount	Number of	Amount
	(Baht)	Shares	Baht	Shares	Baht
Authorized share capital					
Ordinary shares at beginning of period	1.00	285,000,000	285,000,000	285,000,000	285,000,000
Add Increase ordinary Shares	1.00	114,000,000	114,000,000	-	-
Less Decrease ordinary Shares	1.00	-	-	-	-
Ordinary shares at end of period	1.00	399,000,000	399,000,000	285,000,000	285,000,000
Issue and paid-up share capital					
Ordinary shares at beginning of period	1.00	285,000,000	285,000,000	285,000,000	285,000,000
Add Increase ordinary Shares	1.00	57,000,000	57,000,000	-	-
Ordinary shares at end of period	1.00	342,000,000	342,000,000	285,000,000	285,000,000

According the resolution of Extraordinary meeting No. 1/2014, dated August 27, 2015, which could be summarized a significant resolution as follows:

1. Approved to increase of registered capital of the Company at the amount of Baht 114,000,000 from the existing amount of Baht 285,000,000 to be Baht 399,000,000 by means of issuance of 114,000,000 ordinary shares with a par value of Baht 1, for offering to the existing shareholders and to reserve for the exercise of TMILL-W1. The Company has already registered the increase registered capital with the Department of Business Development, Ministry of Commerce on September 10, 2015.

2. Approved to the issuance of the warrant to purchase the ordinary share of T S Flour Mill Public Company Limited No.1 (TMILL-W1) at the number of not exceeding 57,000,000 units. The TMILL-W1 warrant shall be allotted to the existing shareholders who subscribe for the newly issued shares in proportionate to their respective shareholding (Right Offering) without cost.
3. Approved to the allotment of newly issued ordinary shares of 114,000,000 shares at the par value of Baht 1 with the details as follows :
 - 3.1 The newly issued shares of the Company in the number of not exceeding 57,000,000 shares with the par value of Baht 1, shall be allotted for the existing shareholders in proportion to their shareholding (the Right Offering), at an offering ratio of 5 existing ordinary shares to 1 new ordinary shares, at the offering price of Baht 3.0 per share.
 - 3.2 The newly issued shares of the Company in the number of not exceeding 57,000,000 shares, shall be allotted as shares reserved for the exercise of rights of the warrant TMILL-W1 at a ratio 1 new ordinary shares to 1 unit of warrant.

The primary objectives of the Company's capital management are to maintain its ability to continue as a going concern, to maintain an appropriate capital structure and to maintain financial ratios not exceeding that specified by the covenants of the loan agreements.

As at December 31, 2015 and 2014, the financial statements present debt to equity ratio at 1.27 : 1.00 and 1.00 : 1.00 respectively.

17. Warrants

Type of warrants	: Warrants # 1 appropriated for the former shareholders of the Company (Warrants # 1 or "TMILL-W1")
Number of warrants	: 57,000,000 units
Term of warrants	: 3 years commencing from the issued date
Issue Date	: November 16, 2015
Rights of warrants	: Exercise Ratio, 1 unit of warrant per 1 ordinary share (Exercise ratio and Exercise price may be subsequently adjusted in accordance with the conditions on the right adjustment)
Exercise Price	: At Baht 2.0 per share (par value at Baht 1.00)
Outstanding unit as at December 31, 2015	: 57,000,000 units

The Company issued and offered warrants as follows:

Type of warrants	Date of issue and offer of warrants	Exercise price (Baht per Share)	Exercise right (warrant per ordinary share)	Number of allotted shares (units)	Number of reserved shares (units)	Last exercise date of warrants
TMILL-W1	November 16,2015	2.0	1 : 1	-	57,000,000	October 29,2018

18. Premium on ordinary shares and legal reserve

Premium on ordinary shares

Premium on ordinary shares is stated in accordance with Section 51 of the Public Limited Company Act B.E. 2535, in the event the Company offers the ordinary shares for sale at the price exceeding the registered share price, the Company shall appropriate this surplus as reserve (“Premium on ordinary shares”). This premium on ordinary shares cannot be paid out as dividend. In 2015, premium on ordinary shares increase in amount of Baht 114.00 million from the Company increase its shares capital as mentioned in note to the financial statement no.16.

Legal reserve

Section 116 of the Public Limited Company Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution. For the year 2015, the Company appropriated Baht 2.90 million of the profit for the year as legal reserve.

In accordance with the minutes of the Company’s ordinary shareholder’s meeting for the year 2014 held on April 23, 2015, the shareholders approved the appropriation of legal reserve at 5% of net profit, amounting to Baht 2.60 million.

19. Dividend paid

	Approved by	Dividend paid (Unit : Thousand Bath)	Dividend paid per share(Baht)	Date of dividend payment	Appropriated legal reserve (Thousand Bath)
Payment announced from the profit of the year 2014	The Annual 2013 General Meeting of shareholder’s held on April 23, 2015	22,800	0.08	May 19,2015	2,600
Payment announced from the profit of the year 2013	The Annual 2012 General Meeting of shareholder’s held on April 24, 2014	28,499	0.10	May 20,2014	3,200

20. Natures of expense

	(Unit : Baht)	
	<u>For the years ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Salaries, wages and other benefits to employees	59,848,563	49,962,196
Depreciation	35,617,787	20,690,642
Rental expenses	14,610,990	18,864,916
Public utility fee	28,718,072	21,872,072
Transportation expenses	16,935,882	18,351,443
Raw material and supplies used	1,020,996,708	876,033,419
Changes in finished goods and work in process	(9,969,888)	(5,943,678)
Other operating expenses	25,168,391	25,093,238
Interest expenses	23,552,440	8,474,006
Total	<u>1,215,478,945</u>	<u>1,033,398,254</u>

21. Income tax expense

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

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Current income tax expense	15,099,347	13,949,987
Deferred tax expense (Note 10)		
Movements in temporary differences	(659,024)	(553,405)
Income tax expense	<u>14,440,323</u>	<u>13,396,582</u>

Income tax recognized in other comprehensive income

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Actuarial losses arising from defined benefit plan	(5,412)	-

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

	(Unit : Baht)	
	<u>For the year ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Accounting profit before tax	71,303,117	63,864,388
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	14,260,623	12,772,878
Effects of :		
Accrued expenses of land and warehouse rental agreements	776,693	668,977
Others	62,031	508,132
Total	15,099,347	13,949,987
Movement in temporary differences	(659,024)	(553,405)
Income tax expenses reported in profit or loss	14,440,323	13,396,582

22. Earnings per share

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

	<u>For the year ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Profit for the year (Unit : Baht)	56,862,794	50,467,806
The number of issued and paid-up ordinary shares (Unit : shares)	285,000,000	285,000,000
The effect of Increase in share capital (Unit : shares)	11,243,836	-
The weighted average of number of ordinary shares (Unit : shares)	296,243,836	285,000,000
Basic earnings per share (Baht/share)	0.19	0.18

23. Financial information by sectors

For the years ended December 31, 2015 and 2014, financial information is presented as the segment of production and distribution wheat flour which are the only main business of the Company. Additionally, the majority of the operation of the Company is solely made in Thailand. As a result, all of the revenues, operating results and assets as reflected in these financial statements pertain to the aforementioned sole business segment and geographic area.

For the years ended December 31, 2015 and 2014, the Company has no major customers which achieve sale amount more than 10% of total revenues from sale.

24. Commitments and contingent liabilities

24.1 The Company has commitments and contingent liabilities with banks in obtaining credit facilities as follows: -

	Currency (Unit)	As at December 31, 2015			As at December 31, 2014		
		Total	Utilized	Available	Total	Utilized	Available
Letters of guarantee	Thousand Baht	25,000	3,484	21,516	25,000	3,484	21,516
Letters of credit, trust receipt and short-term loan and Forward exchange contract	Thousand Baht	4,125,000	970,484	3,554,516	4,125,000	700,721	3,424,279
Letters of credit, trust receipt and short-term loan and Forward exchange contract	Thousand USD	18,000	11,485	6,515	18,000	2,500	15,500
Overdrafts	Thousand Baht	70,000	-	70,000	60,000	4	59,996
Long-term loan	Thousand Baht	550,000	446,334	103,666	550,000	370,059	179,941

The above credit facilities are guaranteed by the collaterals as mentioned in the notes to financial statements No. 11.

24.2 As at December 31, 2015 and 2014, the Company has obligations in relation to overseas purchase of raw materials contracts, still not yet delivered, amount of USD 3.38 million and USD 8.74 million respectively.

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

	(Unit : Thousand Baht)	
	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Contractual value	101,883	235,353
Remaining binding contractual value	9,610	50,932

- 24.4 The Company has obligations in relation to operational lease contracts on the part of lesser which will initiate rental expenses in future for the interval periods as follows:-

	(Unit : Thousand Baht)	
	<u>As at December 31,</u>	
	<u>2015</u>	<u>2014</u>
Within 1 year	11,472	11,127
For 1-5 years	45,954	45,450
5 years onwards	344,723	357,520
Total	<u>402,149</u>	<u>414,097</u>

25. Litigation

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

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

26. Financial instruments

Policy to manage financial risk

The Company possesses risk regarding to the change of market interest rate and in currency exchange rate, the change rate of related goods price and from nonperformance of contractual obligations by counter parties. The Company will consider to use appropriate financial instruments when it considers necessary to manage such risks. However, the Company does not has any policy to hold or issue any financial instruments for speculation or for trading.

Risk on interest rate

The Company's risk on interest rates is derived from the fluctuation of the market interest rates in the future, which will affect upon the Company's operating result and cash flow. However, the Company manages the interest rate risks by applying various methods including the allocation of the loans at fixed and floating interest rates appropriately to suit the various activities of the Company with the following details.

(Unit : Baht)

	As at December 31, 2015						
	Fixed interest rate			Floating	Non		Interest rate
	Within	More than	More than	interest rate	interest	Total	Interest rate
	1 year	1 year to 5	5 years		bearing		(% per
		years					annum)
<u>Financial assets</u>							
Cash and cash equivalent items	-	-	-	122,246,420	14,149,751	136,396,171	0.10-0.40
Trade and other receivables	-	-	-	-	199,578,462	199,578,462	-
Total	-	-	-	122,246,420	213,728,213	335,974,633	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	830,656,014	-	-	-	-	830,656,014	0.91-2.60
Trade and other payables	-	-	-	-	70,828,080	70,828,080	-
Long-term loans from financial institutions	-	-	-	76,133,536	-	76,133,536	MLR-2.375
Total	830,656,014	-	-	76,133,536	70,828,080	977,617,630	

(Unit : Baht)

	As at December 31, 2014						
	Fixed interest rate			Floating interest rate	Non interest bearing	Total	Interest rate (% per annum)
	Within 1 year	More than 1 year to 5 years	More than 5 years				
<u>Financial assets</u>							
Cash and cash equivalent items	-	-	-	20,821,921	5,611,675	26,433,596	0.125-1.10
Trade and other receivables	-	-	-	-	147,770,119	147,770,119	-
Total	-	-	-	20,821,921	153,381,794	174,203,715	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	120,693,277	-	-	-	-	120,693,277	2.1074-7.75
Trade and other payables	-	-	-	-	73,281,677	73,281,677	-
Long-term loans from financial institutions	-	-	-	370,059,105	-	370,059,105	MLR-2.375
Total	120,693,277	-	-	370,059,105	73,281,677	564,034,059	

Risk on exchange rate

The Company conducted a forward exchange contract with a commercial bank to hedge against exchange rate risk from debt repayment denominated in foreign currency with the following details:-

	Unit and currencies	As at December 31,	
		2015	2014
Amount fixed in contract	USD	10,539,048	10,011,603
Amount earned under forward contract	Baht	373,617,232	330,828,109
Fair value under forward contract	Baht	381,556,199	330,815,718

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

Risk on credit provision

The Company obtains risk from credit provision in relation to trade and other accounts receivable. A number of debtors of the Company are several; however, the Company holds the conservative policy in providing credit and is carefully considered the appropriated allowance for doubtful debts. The Company believes that the risk the debtors will not replay is minimal.

These financial statements have already been reviewed and approved by the Company's authorized of directors.....February 25, 2016

Fair value

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

27. Provident fund

The Company and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and their employees contributed to the fund monthly at the rates depending on the working life of the employees. A local financial institution is managing the provident fund and will be paid to the employees upon termination in accordance with the fund rules. For the years ended December 31, 2015 and 2014, the Company has made contributions to the fund amounting to Baht 0.42 million and Baht 0.37 million respectively.

28. Approval of financial statements

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