



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 2018





Index

	Page
General Information	1
Summary financial information	3
Message from the Chairman of the Board	4
Message from the Executive Chairman	6
Message from the Audit Committee	7
The Boards of Directors	10
— Information of the executives and the boards of the company	12
— Information of Directors in Subsidiaries and Associates	23
Nature of Business	25
Shareholding Structure of the Group	29
Income structure	30
Asset using in the business	33
Risk Factors	37
The Structure of stockholders and management	56
Organizational Structure	58
Business structure and management	59
Corporate Governance	84
Corporate Social Responsibilities : CSR	138
Internal control and risk management	166
Related transactions	169
Management Discussion and Analycis	181
Report of the committees responsibility in doing financial	193
Financial Statement for the year's Ended 2018	194



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 moo 1 Soi Siamsilo 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, 398,664,061 units. The amount 398,664,061 THB (Three hundred ninety eight million, six hundred sixty four thousand and sixty one baht.)

Reference

Registrar	: Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, 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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191 Silom Complex Building, 19th Floor, 4th Unit,
Silom Road, Silom, Bangrak,
Bangkok 10500, Thailand
Telephone : 0-2231-3980-7
Telefax : 0-2231-3988
E-mail:audit3@amc-mri.com

Internal auditors : Dharmniti Auditing Co., Ltd.
By Mr.Saksri Ampawan
178 Dharmniti Building, 5th Floor, Soi Permsup (Prachachuen 20),
Bangsue, Bangkok, 10800.
Telephone : 0-2596-0500 Ext. 520,521
E-mail Center@dir.co.th

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**

	2016	2017	2018
Financial Statement (Million Baht)			
Total Income	1,349.5	1,306.1	1,405.5
Cost and Expenses	1,245.6	1,157.4	1,257.6
Profit before interest and Income tax.	103.9	148.7	147.9
Financial Cost	16.4	15.3	13.4
Income tax	18.1	28.0	27.9
Net profit	69.5	105.5	106.6
STATEMENTS OF FINANCIAL POSITIONS (Million Baht)			
Assets	1,566.7	1,773.1	1,581.8
Liabilities	757.9	939.5	594.3
shareholders' equity	808.8	833.6	987.5
Financial Ratios			
Number of Shares issued (Million Shares)	342.2	344.7	398.7
Book value per share (Baht)	2.36	2.42	
Earning per share (Baht)	0.20	0.31	0.30
Dividend (Baht)	0.15	0.18	0.30
Dividend Payout Ratios (%)	78.73	81.11	56.10
Operating profit margin (%)	6.96	11.19	10.16
Return on Equity (%)	8.68	12.85	11.71
Return on Assets (%)	4.13	6.32	6.35
Debt to equity shareholders	0.94	1.13	0.60

Message from the Chairman of the Board



Mr. Pricha Attavipach

Chairman of the Board

T S 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.

In the year 2018, the company changed the development according to the following important events:

- The Company has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) On February 12, 2018
- The company has been certified for innovation ability and innovation organization Innovative Organization from the National Innovation Agency (Public Organization) and the Stock Exchange of Thailand Which is a promotion project Innovative capabilities for entrepreneurs in the Stock Exchange of Thailand on 5 October 2018
- The Company registered the change of paid-up capital to 398.7 million baht since 1 November 2018

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 2018. 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.

A handwritten signature in blue ink, appearing to read 'Pricha Attavipach', with a large, stylized initial 'P'.

(Mr.Pricha Attavipach)

Chairman of the Board

Message from the Executive Chairman

Performance in 2017 of T S Flour Mill Public Company Limited, A net profit of 105.49 million baht. Increase from 2016, amounting to 35.99 million baht, or 57.77 percent.

Since the year 2018, the company has expanded its production capacity from 500 tons of wheat per day, the average annual capacity utilization of 66% on the year, the situation in the market is still very competitive. However, Executives Committee and management team has adjusted the policy and plan strategies to comply for the situations, that it can be 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 TS Flour Mill Public Company Limited is currently comprised of independent directors with requirements and best practices of the Audit Committee of the Stock Exchange of Thailand which was appointed by the Board of Directors. The Audit Committee consists of 3 members as follows:

- | | |
|------------------------------|-----------------------------|
| 1) Mr.Somchai Vanavit | Chairman of Audit Committee |
| 2) Mr.Anek Khamchum | Audit Committee |
| 3) Mr.Chaleumchai Wongwaiwit | Audit Committee |

With the Chairman of the Audit Committee, namely, Mr.Somchai Vanavit, a qualified person with knowledge, expertise And experience in finance, accounting, experience in reviewing the reliability of financial statements

In 2018, the Audit Committee has fulfilled its mission as assigned by the Board of Directors and the Charter of the Audit Committee. The Audit Committee has 4 meetings with senior management, auditors and internal auditors. The matters that the Audit Committee has considered and operated can be summarized as follows:

The Audit Committee reviewed financial statements of the Company quarterly and annually and has invited auditors to attend all meetings with agendas to review quarterly and annual financial statements. The Audit Committee has reviewed the financial statements by asking advices from the auditors for the accuracy and completeness of the financial statements. There were enough adequacies of financial statement disclosures affecting the financial statements to ensure that the preparation of financial statements in accordance with applicable law and International Financial Reporting Standards and generally accepted accounting principles. The Audit Committee has agreed with the auditors that the financial statements are accurate and meet financial reporting standards.

The Audit Committee was responsible for internal control and internal audit. The Audit Committee reviewed the Company's internal control system and internal audit to be appropriate and effective, prevented the occurrence of conflict or violation of laws and regulations of the company. The Audit Committee provided recommendations to management to ensure that the operations are concise, thorough and accurate and monitor and improve the recommendations of the result of examination of the internal and external auditors to provide for a more efficient and effective. The Audit Committee is of the opinion that the internal control Is adequate and no issue was found to be significant.

In 2018, the Audit Committee has elected Mr.Saksri Ampawan from Dharmniti Auditing Co., Ltd. as the internal auditor of the Company. Ms. Chaovana Viwatpanachati is a CPA who received approval from SEC to assess the adequacy of the internal control and internal audit systems. She assessed the adequacy, appropriateness and effectiveness of the internal control system and provided feedback to the company of which to be modified to operate with transparency consistent with good corporate governance principles.

Compliance with the Securities and Exchange Commission, provision of The Stock Exchange of Thailand and the laws relating to the Company's business. The Audit Committee has conducted a review of compliance with the Securities and Exchange Commission, provision of The Stock Exchange of Thailand and the laws relating to the Company's business. The Audit Committee have the opinion that the Company has complied with the law and no issue was found to be significant.

The Audit committee selected auditors and determine their remunerations by considering the quality and status of Auditors with significant restrictions or regulations of SET or other related organizations and have constructive dialogue between the Committee and the auditors of the Company. On a quarterly basis to discuss the audit and discuss the findings of the inspection and find ways to resolve issues.

However, The Audit Committee has considered the performance of the external auditor, Mr. Ampol Chamnongwat, Miss Prapasi Leelasupa, Mr.Naris Saowalaksakul from SAM NAK- NGAN A.M.C. Co., Ltd. for the past accounting period and determined the remuneration of the auditor before presenting him to the Board of Directors for approval. The General Meeting of Shareholders of 2018 appointed, Mr.Ampol Chamnongwat, MissPrapasi Leelasupa, Mr.Naris Saowalaksakul from SAM NAK – NGAN A.M.C. Co., Ltd. to be CPA as the auditors of the Company.

Risk management Board of Directors And the management has given importance and caution to the risk management of the company As well as giving advice and suggestions to improve In 2018, the Risk Management Working Group was appointed at the management level. To monitor and manage risk management and internal control systems throughout the organization for efficiency By organizing a team meeting once a quarter to jointly assess and review risks Create risk management plans, control, follow up and evaluate

The Audit Committee has considered and commented on related transaction or transaction with conflict of interest to determine whether the transaction is fair and reasonable according to the criteria of SET and SEC by taking into account the interests of stakeholders every quarter regularly.

Corporate Social Responsibility The board of directors and management recognizes the importance with corporate social responsibility, has set up a Corporate Social Responsibility Committee to consider and propose the policy, plan and sustainability strategy and corporate social responsibility including to communication to employee to understanding at all levels thoroughly. And is responsible for monitor operation plan for company sustainable development and to review the effectiveness to the Board of Directors to acknowledge and determine the matter involved.

Anti-corruption, TS Flour Mill Public Company Limited has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption on February 12, 2018, which is considered Is a work of great pride for the company

The company has provided training to educate employees. To acknowledge the policy and adhere to the same direction Continuously instill awareness of anti-corruption with employees in the organization It also has a policy to support partners, partners and stakeholders. Recognize and give priority to anti-corruption By communication Through various channels such as product brochures, company websites [www: tmill.co.th](http://www:tmill.co.th), going out to meet customers, etc. as well as to prevent and prevent corruption in the organization Or joining a network member and supporting activities In the fight against corruption

In the year 2018, the company did not receive complaints about corruption and corruption. Or actions that are in the wrongdoing of employees both from within and outside the organization



The Committee was operating independently within the scope and responsibilities as assigned by the Board of Directors and the Charter of the Audit Committee. The Audit Committee is of the opinion that the financial report of the Company has been prepared correctly in accordance with generally accepted practices and the disclosure of information was accurate and suitable with no major issues contrary to the facts and financial reporting standards and the regulations of the Government.

The Audit Committee Commented that in 2018, the company has operated under the internal control system adequately and appropriately Having effective and efficient risk management Has complied with laws, regulations and regulations Completely Sufficient disclosure of information And work in accordance with the good corporate governance system With transparency, trustworthiness and responsibility to the economy, society and environment Which ensures that TS Flour Mill Public Company Limited is ready to grow sustainably And maintain the organization with good corporate governance.



(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



Mr. Chanachai Chutimaworaphan
Executive Director



Mr. Dhanadon Sujiphinyo
Executive Director



Mr.Narong Chenlapwatanakul
Executive Director



Mr.Chalush Chinthummit
Executive Director



Dr.Supasorn Chayowan
Committee



Mr.Somchai Chinthummit
Committee



Mr.Chalermchai Wongwaiwit
Audit Committee



Mr.Anek Khamchum
Audit Committee



The Information of Boards of Director and Executives

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 the Board - Independent Directors	81	- Bachelor Degree of Industrial Engineering Chulalongkorn University - Master of Industrial Engineering and Management Oklahoma State University , U.S.A. Training - The Certificate of Director Accreditation Program (DAP Class # 107/2014) Thai Institution of Director (IOD) - The National Defence College (No.32) - Finance for Non - Finance Directors (FND Class # 8/2004) - Director Certification Program (DCP No.39/2004) - Audit Committee Program (ACP Class # 11/2006)	0.121%	None	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
					At present	Chairman	Industrial Development Foundation
					At present	Chairman	Kaset Thai Autshagum Nantarn Co.,Ltd.
					2011 - At present	Director	Kaset Thai Bio Power Co.,Ltd.
					2010 - At present	Director	S I Property Co.,Ltd.
					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.
						Chairman	Namtarn Kaset Thai Co.,Ltd.
					2004 – At present	Independent Committee/ Chairman of Audit Committee	Thai Rung Union Car Public Company Limited.
					2008 – At present		
					2004 – At present	Chairman	Eak Rat Pattana Co.,Ltd.
					2004 – At present	Director	Committee bill. Ministry of Labour.
					2003 – At present	Chairman	Siam P.P. International Co.,Ltd.
					2003 – At present	Chairman	Environment Plus and Paper Co., Ltd.
					2002 – At present	Independent Committee/ Audit Committee	The Siam Cement Public 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
					2002 – At present 2000 – At present 2000 – At present	Director Chairman Chairman	H.C>Starck Co.,Ltd. Ruam Kit Anug Thong Klundsinka Co.,Ltd. Pan Paper Co.,Ltd.
2. Mr.Prapas Chutimaworapand - Committee - Executive Chairman - Authorized Committee	81	- Secondary School at Bang-Bueng Industry Training - The Certificate of Director Accreditation Program (DAP Class # 17/2004) Thai Institution of Director (IOD)	0.47% 0.47% / belongs to his wife 0.00% Shares)	The Father of No.4	2004 – At present 2000 – At present 2000 – At present 2000 – At present 2000 – 2017 2000 – 2017 2000 – 2017 1989 – At present 1976 – 2017 1976 – 2017 1976 – 2017 1969 – 2017 2003 – 2017	Executive Chairman Executive Chairman Executive Chairman Executive Chairman Executive Chairman Executive Chairman Executive Chairman Executive Chairman Director & Senior Vice President Director & Senior Vice President Director & Senior Vice President Executive Chairman Executive Chairman	Bangkok Boutique Hotel (Thailand) Co.,Ltd. T S Flour Mill Public Company Limited Thai Sugar Terminal Public Company Limited T S Oil Industry Co.,Ltd. T S Warehouse Co.,Ltd. TSG Asset Co.,Ltd. T S Transport and Logistics Co.,Ltd. Para Hi-tech Co.,Ltd. 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.
3. Mr.Somchai Vanavit - Committee - Independent Directors - Chairman of Audit Committee	70	- 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	2014 – At present 2006 – At present 2005 – 2015	Chairman of Audit Committee / Independent Committee Audit Committee / Independent Committee/ Director / Vice President	T S Flour Mill Public Company Limited Sabina Public Company Limited K.C. Property 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
		Training - The certificate of Director Accreditation Program (DAP Class # 8/2004) - Director Certification Program (DCP Class # 49/2004) Thai Institution of Director (IOD)					
4. Dr.Charnkrij Dejvitak -Committee -Executive Vice Chairman & Managing Director -Authorized Committee	45	- Bachelor of Arts In English Assumption University - Master Degree of the leadership and moral principles in an organization Saint Edward's University, U..SA. - Master Degree of West Texas A&M University, U.S.A. - Doctoral Degree of Services and Changes Touro University International, U.S.A. Training - Politics and Governance in Democratic Systems for Executives - The certificate of Senior Executive of Capital Market Academy No.15 (CMA.15)	0.00% (By his shares 0.00% / belongs to his wife 0.00% Shares)	Son In Law of No. 2	2009 – At present 2018 – At present 2018 – At present 2018 – 2018 2018 – 2018 2017 – 2018 2016 – At present 2016 – At present 2016 – 2017 2015 - 2017 2016 – 2017 2014 - 2017 2013 - 2015	Executive Vice Chairman & Managing Director Executive Director Consultant, Advanced Master of Management Program (AMM) Chairman Director President Deputy Secretary General Director Consultants Secretary Business and Management Vice Chairman Executive Director	T S Flour Mill Public Company Limited Palang Pracharath Party National Institute of Development Administration Eastern Industrial Council (Resign 12/10/61) Interprime Media Co.,Ltd. (Resign 3/10/61) mai Listed Company Association (Resign 12/10/61) Association of Capital Market Academy Association of Capital Market Academy School of Entrepreneurship and Management, Bangkok University mai Listed Company Association Dhonburi Rajabhat University Samut Prakan Provincial Chapter, The Federation of Thai Industries, Council Food Industry



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
		- The certificate of Director Accreditation Program (DAP Class # 79/2009) Thai Institution of Director (IOD) - The certificate of electric commerce Texas U.S.A. - The certificate of "Business culture in American style" California, U..SA.			2012 – At present 2012 – At present 2012 - At present 2012 – 2014 2009 - 2015 2009 - 2015 2009 - 2015 2009 - 2015 2009 – 2015	President of Secretary Member of the Board Secretary Advisory Board Executive Director Executive Director Executive Director Executive Director Executive Director	mai Listed Company Association Capital Market Academy Class # 15 The Federation of Thai Industries Commission Economic Commission Commerce and Industry Parliament Samut Prakan Provincial Chapter, The Federation of Thai Industries 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.
5. Mr.Chanachai Chutimaworapand - Committee - Executive Director - Authorized Committee	47	- Bachelor Degree of Engineering at Chulalongkorn University - Bachelor Degree of Law at Chulalongkorn University - Master Degree MBA at University of Tennessee, Unosville, U.S.A. - Master Degree of Science, Indesteral Engineering University of Tennessee, Unosville, U.S.A. - Master Degree of liberal arts Business Law, Chulalongkorn University	0.048%	A son of No.2	2018 – At present 2018 – At present 2018 – At present 2017 – At present 2014 – At present 2012 – At present 2006 – At present 2006 – At present 2004 – At present 2003 – At present 2000 – At present 2000 – At present	Chairman Director Director Executive Director Director Executive Vice President (Accounting and Finance) Director Director Director Director Executive Director Executive Director	Thai Sugar Terminal Public Company Limited BBGI Co.,Ltd. Ubon Bio Ethanal Co.,Ltd. Kon Kong Sugar Industry Co.,Ltd. KSL Real Estate Co.,Ltd. Khon Kaen Sugar and subsidiary Industry Public Company Limited. Kon Kong Sugar Industry Co.,Ltd. Sawannakhet Sugar Industry Co.,Ltd. KSL Green Internation Public Company Limited. KSL Material Supply Co.,Ltd. T S Flour Mill Public Company Limited Thai Sugar Terminal 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
		Training - The Certificate of Director Accreditation Program (DAP Class # 37/2005) Thai Institution of Director (IOD)			2000 – At present 2000 – At present 2000 – At present 2000 – At present 1996 – At present	Executive Director Executive Director Executive Director Executive Director Director	T S Warehouse Co.,Ltd. TSG Asset Co.,Ltd. T S Oil Industry Co.,Ltd. T S Transport and Logistics Co.,Ltd. Onnuch Construction Co.,Ltd.
6. Mr.Dhanadon Sujiphinyo - Committee - Executive Director - Authorized Committee	52	- Bachelor Degree of Marketing California State University at San Bernardino (MBA) - Master Degree of MBA, Marketing and Management Mercer University Atlanta, U.S.A. Training - The Certificate of Director Accreditation Program (DAP Class # 76/2008) Thai Institution of Director (IOD)	0.00% (By his shares 0.00% / belongs to his wife 0.00%	Son In Law of No.2	2013 – At present 2011 – At present 2011 – At present 2008 – At present 2008 – At present 2008 – At present 2008 – At present 2008 – At present 1998 – At present	Executive Director Managing Director Director Director Director Director Director Managing Director	T S Flour Mill Public Company Limited Splendid @ Khaoyai Hotel 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
7. Mr.Narong Chenlapwatanakul - Committee - Executive Director - Authorized Committee	53	- Bachelor Degree of Economist Thammasart University	None	None	2006 – At present 2006 – At present 2006 – At present 2006 – At present 2006 – At present	Executive Director Executive Director Executive Director Executive Director Executive 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.



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
		Training - The Certificate of Director Accreditation Program (DAP Class # 62/2007) Thai Institution of Director (IOD)			2005 – At present 1999 – At present	Director Director	Autsahagum Mitkased Co.,Ltd. Wattanagul Oxygen Co.,Ltd.
8. Mr.Chalush Chinthammit - Committee - Executive Director - Authorized Committee	49	- Bachelor Degree of Business Administration Degree (BBA) Assumption University - Master of Business Administration MBA Finance & Banking Mercer University, U.S.A. Training - The Certificate of Director Accreditation Program (DAP No. 17/2004) Thai Institution of Director (IOD) - Top Executive, Class 10, Capital Market Academy - Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 6, Thailand Energy Academy	None	A Nephew of No.10	2018 – At present 2018 – At present 2017 – At present 2016 – At present 2015 – At present 2015 – At present 2015 – At present 2016 – At present 2012 – At present 2007 – At present 2007 – At present 2007 – At present 2007 – At present 2007 – At present 2007 – At present 2006 – At present	Director Director Managing Director Committee & Audit Committee Director Director & Chairman of Audit Committee Director & Executive Director Director Director Director Director & Executive Director Chairman of the Board Director & Secretary Director Director Director	Bangchak Biofuel Company Limited Bangchak Bioethanol (Chachoengsao) Co.,Ltd BBGI Co.,Ltd. Master Ad Public Company Limited Chengpres Co.,Ltd Dhanarak Asset Development Co.,Ltd Mudman Public Company Limited Enterprise Co.,Ltd Rajasolar Material Co.,Ltd Thai Sugar Terminal Public Company Limited & Subsidiary T S Flour Mill Public Company Limited Colossal International Co.,Ltd Thai Sugar and Bio-Energy Producers Association KSL Agro and Trading Co.,Ltd. Raja Porcelain Co.,Ltd Sawan Naked Sugar 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
		- Top Executive in Industrial Development and Investment, Class 3, Institute of Business and Industrial Development (IBID)			2004 – At present	Director & Senior Executive Vice President	Khon Kaen Sugar Public Company Limited & its affiliated sugar companies
					2004 – At present	Director	KSL Sugar Holding Co.,Ltd
					2004 – At present	Director	Para Ruamchoke Co.,Ltd
					2003 – At present	Director	KSL Green Innovation Public Company Limited
					2003 – At present	Director	Kohkong Plant Station Co.,Ltd.
					2003 – At present	Director	Khon Kaew Sugar Power Co.,Ltd.
					2003 – At present	Director	KSL Export Trading Co.,Ltd.
					2002– At present	Director	Thai Sugar Miller Co.,Ltd.
					2001 – At present	Director	Orn Nuch Gor Sang Co.,Ltd.
					1997 – At present	Managing Director	KSL Real Estate Co.,Ltd.
					1997 – At present	Director	The Boards of Cane and Sugar Act.of B.E.2527 Chenteh Chinaware (Thailand) Company Limited
					1996 – At present	Director / Chairman of	New Kwangsun Lee Sugar Factory Co.,Ltd
					1996 – At present	Executive Committee Director	MMP Corporation Company Limited
9. Dr.Supasorn Chayowan - Committee - Member of the Nomination and Remuneration Committee	81	- Bachelor Degree of Animal Science Kasedsart University - Master Degree of Food Sci & Nutrition Brigham Young University, U.S.A. - Doctoral Degree of Food Sci & technology Louisiana State ,U.S.A.	None	None	2009 – At present	Director Nomination and Remuneration	T S Flour Mill Public Company Limited
					2014 – At present	Committee	T S Flour Mill Public Company Limited
					2009 – At present	Director	T S Warehouse Co.,Ltd.
					2009 – At present	Director	TSG Asset Co.,Ltd.
					2009 – At present	Director	T S Oil Industry Co.,Ltd.
					2009 – At present	Director	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
		Training - The Certificate of Director Accreditation Program (DAP Class # 77/2009) - Director Certification Program (DCP Class # 112/2009) Thai Institution of Director (IOD)					
10. Mr.Somchai Chinthammit - Committee - Member of the Nomination and Remuneration Committee	66	- Diploma of Computer Computer Collage, Germany - Mini MBA Thammasat University Training - The Certificate of Director Accreditation Program (DAP Class #17/2004) Thai Institution of Director (IOD) - Diploma of Computer Computer Collage, Germany - Mini MBA Thammasat University	0.00% (By his shares 0.00% / belong to Children)	An uncle of No.12	2011 – At present 2008 – At present 2008 – At present 2008 – At present 2008 – At present 2008 – At present 2008 – At present 2004 – At present 2004 – At present 2003 – 2015 2003 – At present 1981 – At present 1980 – At present 1980 – At present 1980 – At present	Nomination and Remuneration Committee Director Director Director Director Director Director Director & Senior Vice President Director Director Director Director & Senior Vice President Director & Senior Vice President Director & Senior Vice President	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. Khon Kaen Sugar Public Company Limited. Champion Fermentation Co.,Ltd. Korn Gan Alcohol Co.,Ltd. Namtarn Khonkaen Power Plant Co.,Ltd. Racha Choroed Co.,Ltd. Namtarn Tamaka Co.,Ltd. Namtarn New Khwan Sun Lee Co.,Ltd. Namtarn New Krung Thai Factory 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.Chalermchai Wongwaiwit - Committee - Audit Committee - Independent Directors	62	- Bachelor of Science, Electrical Engineering University of Hawaii at Honolulu, Hawaii, U.S.A. - Master of Business Administration, Marketing and international business (Graduated with Honors) Graduate Institute of Business Administration of Chulalongkorn University (Sasin), Bangkok, Thailand Training - The certificate of Director Accreditation Program (DAP Class # 84/2010) Thai Institution of Director (IOD)	None	None	2010 – At present 1994 – 2014 1993 – At present	Audit Committee Managing Director Managing Director	T S Flour Mill Public Company Limited Finkl - Thai Co., Ltd. Metropolis Property CO.,Ltd.
12. Mr.Anek Khamchum - Committee - Chairman of the Nomination and Remuneration Committee - Audit Committee - Independent Directors	60	- 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 2010 – At present 1984 – At present	Nomination and Remuneration Committee Audit Committee Owner	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited Anake Kumchum Law's firm



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
		Training - The certificate of Director Accreditation Program (DAP Class # 85/2010) -Thai Institution of Director (IOD)					
13. Ms.Surangrat Jongprasopsap - Deputy Director of Factory	46	- Master Degree of Product Development Industry Branch Kasetsart University - Bachelor degree Food Science And Technology Thammasart University (first-class honors) Training -Certification on The Factory Management Course 13 (2017), Human Capacity Building Institute (HCBI) : The Federation of Thai Industries (FTI) - Training certificate for potential development project for innovation management For entrepreneurs in the stock market	None	None	2018 - At present 2015 - 2017 2013 – 2014	Deputy Director of Factory Assistant Factory Director Plant Manager	T S Flour Mill Public Company Limited T S Flour Mill Public Company Limited T S Flour Mill 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
14. Ms. Waewta Natphan - Deputy Director of Finance and Accounting / Company Secretary	41	- Master Degree of Accounting (MBA) Ramkhamhaeng University - Bachelor Degree of Accounting (B.B.A) Burapa University Training - Certificate of the Company Secretary Program Class # 71/2016 Thai Institution of Director (IOD)	None	None	2018 - At present	Deputy Director of Finance and Accounting / Company Secretary	T S Flour Mill Public Company Limited
					2015 – 2017	Assistant Finance & Accounting Director / Company Secretary (Senior) Finance & Accounting	T S Flour Mill Public Company Limited
					2014 – 2015	Manager Finance & Accounting Manager (Senior)	TCJ Asia Company Limited
					2010 – 2014	Manager of Finance and	Toll Logistics (Thailand) Co.,Ltd
16. Ms. Masarat Puttipeerawit - Sele Manager	36	University of the Thai Chamber of Commerce Training -	None	None	2013 – At present	Sales Manager	T S Flour Mill Public Company Limited
					2006 – 2012	Agent	Ing Life Insurance Public Company Limited

The information of position 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.	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

Achievement Award





Nature of Business

T S Flour Mill Public Company Limited, Thailand's new manufacturer, was incorporated in 2007 and has always focused on quality of products starting from choosing high quality wheat with suitable amount of protein and gluten, processing them to quality wheat flour. Each type of our flour is suitable for different kinds of products of customers including bakery and food such as bread, noodles, instant noodles, pizza, pie, donut, biscuit, steamed bun, deep-fried stick dough, flat bread, biscuit sponge cake and cake.

The Company Limited selects only high technology machinery using Computer Integrated Manufacturing (CIM) which allows precise, clean and hygienic quality control of each type of wheat flour formula through hazardous analysis critical control points which affect chemical, biochemical and physical quality of wheat flour. Food safety is also our top priority.

The Company Limited has also been certified of the standard in quality system, hygiene and safety of products by ISO 22000:2005, GMP, HACCP and HALAL to ensure the best quality wheat flour products for customers and traceability for the utmost confidence in us.

The Company Limited has a research and development team which provides tailor-made flour and comes up with novel products to satisfy customer's various needs.

Our sales and marketing team and after sales team are always undergoing training to increase sales skills with knowledge and understanding in the Company's products and develop more efficient after sales service.

Background and Key Development

T S Flour Mill Public Company Limited ("the Company" or "TMILL")'s former name was Thai Sugar Warehouse Company Limited. It was incorporated by the cooperation of sugar factories namely factories in the Konkaen Sugar Public Company Limited, Prachuab Industry Company Limited and Mit Kaset Industry Company Limited and was 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 shares from existing shareholders due to change in shareholding structure in TSTE companies, causing TSTE to hold 61.30% 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 lease 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 to conduct the wheat flour factory business with TSTE holding 97.13% of the new registered capital.

On 15 February 2007, the Company increased its registered capital by 200 million baht to 400 million baht with TSTE holding 98.82% of the paid-up capital and in 2009, TSTE executive 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.

Subsequently, on 29 June 2010, the Company registered the conversion of the company into a public company. And changing the par value from 100 baht to 1 baht per share, including increasing the registered capital of 85 million baht by issuing 85 million new ordinary shares in order to prepare to sell the newly issued ordinary shares to the public. Causing the registered capital to increase to 285 million baht, paid-up capital of 200 million baht, equivalent to 200 million shares



TS Flour Mill Public Company Limited, the major wheat flour producer in Thailand By starting the business since 2007, the company has focused on product quality. Starting from the selection of rice varieties with high standards, protein content and proper dance Processed to get quality wheat flour For each customer group used in production Bakery products And various types of food.

Selecting cutting-edge machinery equipment using CIM (Computer Integrated Manufacturing) automatic wheat flour processing system, which has the unique ability to control the quality of various wheat flour formulas precisely, cleanly and hygienically. Under the analysis system And control the danger point in the production process Which affects Hazardous Analysis Critical Control Points (HACCP) and also considers food safety as a priority

Has been certified for both production quality systems Hygiene and safety of products such as ISO 22000, GMP, HACCP and HALAL so that consumers can consume wheat flour products that are of the highest quality and can be traceable to ensure maximum confidence.

TS Flour Mill Public Company Limited also has a product research and research team. Which provides tailor-made flour service and invented a new type of wheat flour (Novel Products) to meet the various needs of customers as well.

In the areas of sales and marketing Along with providing after-sales services, the company has developed personnel with continuous training To increase the sales skills for employees to have knowledge and understanding of the company's products As well as providing more efficient after-sales services.





Year	Key Development of T S Flour Mill Public Company Limited
1977	Thai Sugar Warehouse Company Limited (the Company's former name) was incorporated by the cooperation of sugar factories with the registered capital of 10 million baht and 100,000 shares with a par value of 100 baht per share. The company carried out the business of warehouse storage service with warehouse for bulk cargo of 2,880 square meters for temporary storage, which can hold 30,000 tons of goods.
1991	The Company adjusted its shareholding structure with TSTE as a major shareholder holding 61.30% of the paid-up capital due to shareholding structure change in TSTE.
2001	The Company registered the change of company's name to Thai Sugar Inter Trade Company Limited on 10 April 2001 applied for the cancellation of license to conduct warehouse business which is the company's former business to reduce overlapping preparation of documents regarding warehouse service because other subsidiaries are carrying out similar temporary storage service. The company changed its business to bulk cargo warehouse rental service.
2005	The company increased its registered capital to 200 million baht which contain 2 million ordinary shares with a par value of 100 baht per share to build a wheat flour factory with manufacturing capacity of 250 tons per day.
2007	<ul style="list-style-type: none"> - The company registered the change of company's name to T S Flour Mill Public Company Limited on 15 February 2007. - On 5 September 2007, the Company increased its registered capital to 400 million baht which are four million shares with a par value of 100 baht per share to be used as working capital for wheat flour business operation.
2008	<ul style="list-style-type: none"> - The Company receives GMP and HACCP certificates from SGS (Thailand) Company Limited ("SGS") on 24 June 2008. - The Company receives ISO 22000: 2005 certificate from SGS on 16 July 2008.
2009	<ul style="list-style-type: none"> - The Company was certified to use HALAL mark by the Office of Islamic Affairs Committee of Samut Prakan on 5 June 2009. - The extraordinary meeting of shareholders No. 1/2009 on 24 December 2009 resolved to decrease registered capital from 400 million baht to 200 million baht and pay back shareholders in the amount of 200 million baht. The remaining shares were two 2 million ordinary shares with a par value of 100 baht per share.
2010	<ul style="list-style-type: none"> - The extraordinary meeting of shareholders No. 2/2010 on 15 June 2010 resolved to list the Company as public company and adjust the par value from 100 baht to 1 baht and resolved to increase registered capital from 200 million baht to 285 million baht by issuing newly issued 85 ordinary shares to offer in the initial public offering. - The Company adjusted asset structure by selling its warehouse for bulk cargo to TSTE to be used in the conduct of present business. - The board of directors meeting No. 7/2010 on 29 July resolved to give pre-emptive right to all TSTE shareholders to subscribe to newly issued ordinary shares in the amount not more than 25,350,970 shares according to their shareholding ratio. TSTE board of directors meeting No. 7/2010 on 29 July 2010 resolved to approve allocation of newly issued shares of TMILL, a subsidiary of TSTE to ordinary shareholders of TSTE in accordance with their shareholding ratio. The shares would be offered at the same price as the public offering. The matter was proposed to the extraordinary meeting of shareholders No.1/2010 on 9 September 2010 for approval.

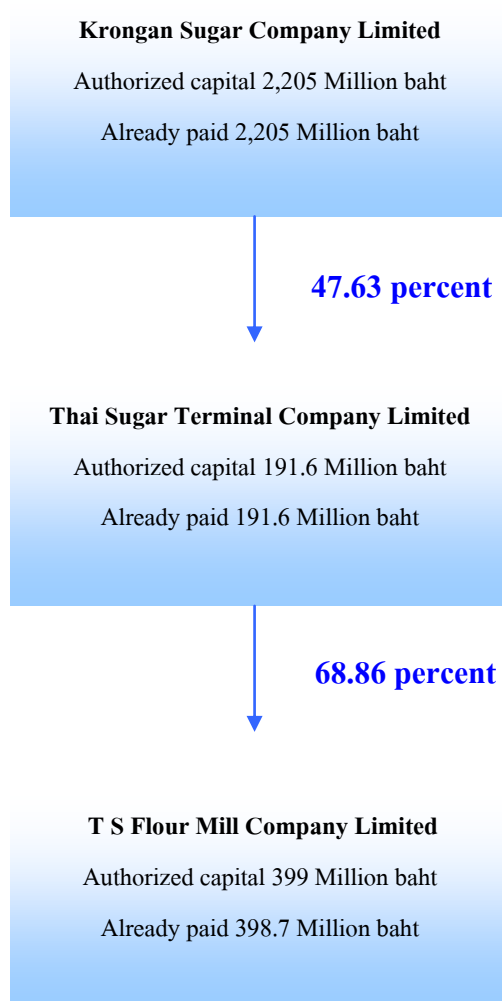


Year	Key Development of T S Flour Mill Public Company Limited
2012	<p>- On 24 October 2012, the Office of the Securities and Exchange Commission The Company has allowed the Company to offer up to 85 million ordinary shares to the public. The Company has offered to sell its shares to the existing shareholders under the pre-emptive right. The subscription is open on 9th, 12th and November 13, 2012 and offered to the public on November 14-16, 2012. Later, the Company registered the change of paid-up capital from Baht 200 million to Baht 285 million on November 19, 2012 and November 21, 2012 The Stock Exchange of Thailand Has ordered the ordinary shares of the Company Listed securities As a result, the 285,000,000 ordinary shares of the Company, with a par value of Baht 1 per share, will be effective from November 23, 2012 onwards. In the medium business category. TMILL's trading name is TMILL.</p>
2015	<p>- After the operation of the wheat flour mill with the capacity of 250 tons of wheat per day And use force The company has doubled its production capacity to 500 tons of wheat per day since 2015. The company has increased its registered capital to 114 million shares with a par value of Baht 1 per share. Shareholder on August 27, 2015 to sell to the existing shareholders 57 million shares and to support the exercise of warrants TMILL-W1</p>
2017	<p>- The Company registered the change in its registered capital to Baht 399 million and the paid-up capital to Baht 344 million as from November 13, 2017.</p> <p>- The Company received the Green Industry Award, Level 2, Green Activity from the Ministry of Industry.</p> <p>- The company received the award of the campaign to reduce the accident statistics from work to be the primary level of 300,100 hours.From the Ministry of Labor</p>
2018	<p>- The Company has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) On February 12, 2018.</p> <p>- The company has been certified for innovation ability and innovation organization Innovative Organization From the National Innovation Agency (Public Organization) and the Stock Exchange of Thailand Which is a promotion project Innovative capabilities for entrepreneurs in the Stock Exchange of Thailand On October 5, 2018.</p> <p>- The Company registered the change of paid-up capital to 398.7 million baht since November 1, 2018.</p>



Shareholding Structure of the Group

On December 31, 2018 The Company has basic structure as followed:



Income Structure

Business lines and Product Segmentations

Type of income	2016		2017		2018	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Wheat Flour	1,176.2	87.1	1,137.2	87.1	1,205.0	85.7
Wheat Bran	158.9	11.8	165.1	12.6	194.7	13.9
Rice Germ and Wheat	3.7	0.3	1.0	0.1	0.1	0.0
Others Income*	10.7	0.8	2.8	0.2	5.7	0.4
Total Income	1,349.5	100.0	1,306.1	100.0	1,405.5	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, All Purpose 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 2016 to 2018

Type of Profit	2016		2017		2018	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Fresh Noodle Flour	197.2	16.8	203.9	17.9	194.5	16.1
Instant Noodle Flour	174.5	14.9	189.3	16.6	250.0	20.8
Bread Flour	351.4	29.9	260.5	22.9	323.2	26.8
All Purpose Flour	256.8	21.8	313.7	27.6	259.8	21.6
Biscuit Flour	186.3	15.8	156.7	13.8	167.5	13.9
Other Flour	10.0	0.8	13.1	1.2	10.0	0.8
Total profit of whole flour	1,176.2	100.0	1,137.2	100.0	1,205.0	100.0



- The table of selling flour from 2016 to 2018

Type of Profit	2016		2017		2018	
	Ton	Percent	Ton	Percent	Ton	Percent
Fresh Noodle Flour	11,508	16.6	13,456.9	16.9	12,747.8	15.2
Instant Noodle Flour	6,229	9	15,517.3	19.5	19,636.5	23.4
Bread Flour	22,092	31.8	16,059.9	20.1	20,213.0	24.1
All Purpose Flour	15,862	22.9	23,396.1	29.4	19,295.8	23.0
Biscuit Flour	13,337	19.2	10,763.0	13.5	11,613.4	13.8
Other Flour	362	0.5	513.2	0.6	380.7	0.5
Total amount of selling all flour	69,391	100.0	79,706.4	100.0	83,887.1	100.00

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.
- 5) Wheat flour Under the brand name. The protein content was low at 7-9 percent. The pulp was light white with low ash content. Less sticky Suitable for making steamed cake, cookies, flip flops, barbecued eucalyptus, mocha, jam, egg rolls
- 6) Wheat flour Under the sneaker brand. Protein content is 11-13 percent, very good water absorption. Have toughness This will give you a good amount of oil without the oil.
- 7) Cake Wheat Under the brand name of the heart such as buttercream, sponge cake, cake cake, etc. The wheat flour has a protein content of 7-9 percent. It has a water-absorbing, fatty, sugar-free properties and helps to mix well.
- 8) Whole wheat flour Under the Golden Bang brand bread flour. 50% wheat flour can be used to make bread easily and soft texture. Rich in fiber, vitamins, minerals and antioxidants for those who love health.

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, 2017 and December 31, 2018 the Company asset was cost 717.5 million baht (THB) and 674.3 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, 2017	Dec 31, 2018	
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	150.6	143.5	No obligations
2. Machines and Equipment	Owner	505.8	477.4	
3. Decorations and office equipment	Owner	4.0	3.0	No obligations
4. Vehicles	Owner	21.0	19.7	No obligations
5. Utility System	Owner	33.4	30.7	No obligations
6. Asset during the construction	Owner	2.7	-	No obligations
Total		717.5	674.3	




Remarks : * Buildings and an office are situated in the land rent from TSFE 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.




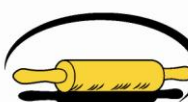



The company is expanding capacity by implementing the resolutions of the Board of Directors Meeting No. 2/2013 on 1 March 2013, the program has the property which is calculate the total value of the consideration as per Notification of the Capital Market Supervisory Board No. TorJor. 20/2008 Rules on 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 .



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
1Pung-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.

Information of trademarks and services	Logo of trade mark	Description
4. Sen-Thong brand	<div> <div>ตรา</div> <div>เส้นทอง</div>  </div>	Wheat flour for making instant noodle.
5. Sen-Yok brand	<div> <div>ตรา</div> <div>เส้นหยก</div>  </div>	Wheat flour for making high quality of Chinese noodle, fresh noodle and wonton paste.
6 Sen-Lueang brand	<div> <div>ตรา</div> <div>เส้นเหลือง</div>  </div>	Wheat flour for making fresh noodle or wonton paste.
7. Luk-king brand	<div> <div>ตรา</div> <div>ลูกกลิ้ง</div>  </div>	All purpose wheat flour for making doughnut, pancake, cookie, tart, waffle, Chinese bun, and crispy bun etc.
8. Gung-Hun brand	<div> <div>ตรา</div> <div>ก๊วยฮั่น</div>  </div>	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.	<div> <div>ตรา</div>  <div> <div>ต้าหลงเปา</div> <div>แบ่งสาธิตราต้าหลงเปา</div> </div> </div>	Wheat flour for making bun, Chinese bun, cake, cookie, moji, tart.
10. Koo-Guo brand	<div> <div>ตรา</div> <div>คุกกี้</div>  <div>แบ่งสาธิตราคุกกี้</div> </div>	Wheat flour for making deep-fried dough stick.

Information of trademarks and services	Logo of trade mark	Description
11. hua-Jai brand		Wheat flour made by special process. This flour has soft white texture which is suitable for making butter cake, sponge, chiffon cake etc.
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

The 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 19 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 abroad. 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

As of December 31, 2018, the Company had loans from financial institutions in the form of short-term loans of approximately 595.70 million baht and interest expenses of 14.80 million baht. Based on the interest rate is fixed for a short term Which, if there is an adjustment of the loan interest rate, will affect the company Increasing interest burden Affect the operation Causing the profit of the company to decrease, as well as may reduce the return on equity. However, the company has managed the interest rate risk. By appropriately allocating fixed and floating interest rates and regularly monitoring interest rate trends

Risk from foreign exchange rate fluctuations

In the business of producing and selling wheat flour The main raw material is wheat which is a raw material that must be imported from abroad. Which payment will primarily use the US dollar currency While all the products that the company Production will be sold locally. Which the business operation may result in the Company Affected by exchange rate fluctuations that occur If the baht depreciates against the US dollar Will increase the cost of the company, but at the same time, if the baht appreciates against the US dollar Will reduce the cost of the company, therefore, in order to reduce exchange rate fluctuations, the company has monitored the daily situation and reports to the management every day. And the executive officer meeting every 2 weeks to monitor the economic and financial situation To assess the risks and impacts of exchange rates As well as prescribing guidelines for timely response to risks

The company therefore has a financial transaction by subscribing to the exchange rate in the currency for importing products from foreign countries in advance (Fixed Forward Exchange Rate) in order to prevent exchange rate fluctuations that may affect the operating results. Company work Including the company There is no speculation policy on exchange rates. The contract for the purchase of foreign exchange futures is in the discretion of the management of the company. In doing so, the company has managed the costs not to be very volatile and know the cost in advance. During the past performance, the company has not been affected by the exchange rate fluctuations. Significantly

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 90 percent 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 0.99 baht per kilogram in 2017. 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.

Social risk**Risk to the reputation of the company**

Complaints and relationships with the community. The company has given importance to social responsibility. By realizing that If the society or community is not able to live, the business cannot survive as well, which the company will focus on environmentally friendly production processes. And control the emissions to be in the criteria or better as specified in the law / regulation. However, the risk factors for complaints and relationships with the community are still important risk factors. The company has therefore formulated policies and guidelines for operations to Societies that need to practice examples, organize activities to create mutual understanding and maintain relationships with Communities located around the plant as follows: • Develop channels / methods of communication In order to be able to communicate with the community correctly and quickly. • Take care and put in the quality of life of people in the community, such as providing a wall wall project to reduce noise pollution to the community. Dust barrier project, loading rice, boat, etc.

Relationships with stakeholders are important factors that affect the success of the organization. Which can be said that stakeholders Is an important risk factor Because the company Will be able to create more value And grow sustainably, therefore needing support and cooperation from both internal and external stakeholders And if the stakeholders do not understand the objectives and procedures of the company May affect the reputation or cause resistance, causing the operation to be delayed Can increase the cost And more importantly, in the event of various crises, the company has gained trust and reduced the severity of the consequences

The company has established guidelines for risk management from stakeholders as follows:

- Evaluate how the operations of the company will affect any person / group of persons. Including evaluating whether any person / group of persons will influence the operation of the company to identify stakeholders accurately and clearly
- The Company clearly identifies stakeholders from both inside and outside the organization, including 12 groups, including shareholders, employees, customers, partners, business partners, associates Investors, creditors, communities, government agencies, media, civil society, academics, thought leaders, and competitors.
- Establish policies and review guidelines for stakeholders. Various To be used as a guideline for all executives and employees of the company.
- There is a survey of satisfaction with the reputation and image of the organization.
- Assess and review expectations, attitudes towards risk, behavior and availability. Stakeholders' participation periodically
- Communicate and understand various stakeholders Continuous The communication of the company recognizes that communication is another factor that may affect the reputation of the organization as well. Therefore, in order to prevent misunderstanding or incorrect communication. Especially in the event of a crisis By specifying the notification process Who needs to know the matter immediately when it happens? Who can give an interview? Including the content of information that is needed For accuracy and quickness to solve problems
- changing consumer behavior At present, consumers have a tendency to choose to consume that is more healthy. The company therefore focuses on research and development of products and services. Since the procurement process By focusing on the highest quality raw materials for consumers Develop production processes and product

Risks relating to health and safety from work

The company realizes that "employees are important and valuable resources" therefore giving importance to the health and safety of employees. In order to prevent danger before losing By defining safety and occupational health measures and working environment that may occur from machinery, factory area, work place Or work method

Environmental risk

At present, environmental issues have intensified and have a wide impact. As the company Being a part of the society, the company therefore focuses on managing environmental problems. With management by having an environmental impact management policy providing a wall wall project to reduce noise pollution to the community Dust barrier project, loading rice, boat, socket Greenhouse gas emission reduction project By controlling the amount of dust, odor, sound to be in the criteria that is better than the law / regulation without causing problems with the environment and does not affect people's health Which is located in nearby communities where the company has been certified with ISO 22000: 2005, GMP, and Green Industry: GI2. Continue to reduce waste management from production processes Reduction of greenhouse gas emissions Which greenhouse gases have a significant impact on global climate change And cause global warming. Therefore, the Company has set a goal to reduce greenhouse gas emissions from the production process in concrete form. The company is committed to protecting the environment. Which results in consumers having confidence that the business of the company Truly environmentally friendly

**The risk of Government Policy****The 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 December, 2017 a major shareholder of the company was Thai Sugar Terminal Company Limited (TSTE) which held share 68.80 percent of authorized capital. This 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.

Marketing, Competitive and Industry Forecast

Nowadays, Thai people eat more bread. Bread is a menu that is easy to eat and convenient to buy. It also has affordable, easy to buy The bread business has many brands to market. To create color and add choices to consumers. The market for instant noodles expanded from last year. As a result, the market needs a lot of wheat flour to produce. It does not include the demand for wheat flour to produce other products.

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' 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.



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 bears 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.

Distribution channel

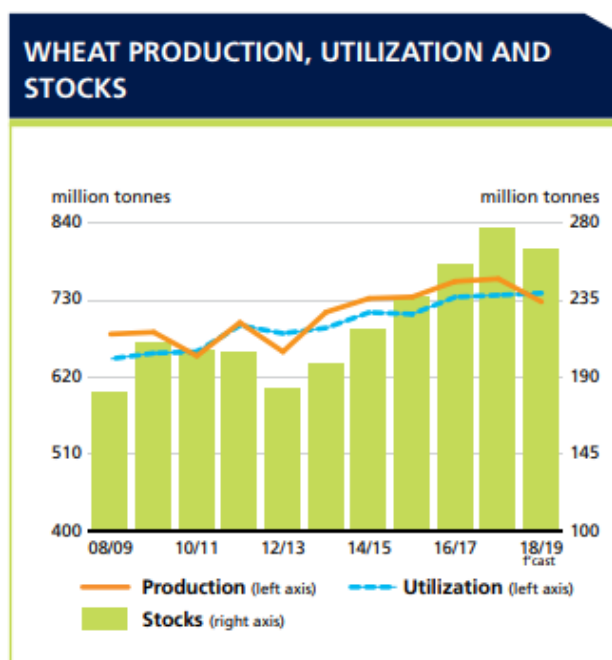
The Company's distribution channel concentrates on direct sale to the customers. Customers will order products whole lot by formerly indicated the price time after time by the Company. The Company will keep sending the product to customers relying to the former price list that offered. Customers can 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 conditions

Industry conditions for wheat and wheat flour production in the world market

Wheat markets are heading for a modest tightening in the 2018/19 marketing season, as production is forecast to fall below last year's record level. With world consumption expected to expand beyond production, wheat inventories are predicted to decline.

The global wheat supply and demand balance is forecast to tighten in 2018/19, as evidenced by firmer international prices compared to the previous season. The forecast for global wheat production in 2018 has been revised downwards in recent months, and is now pegged at 727.9 million tonnes, 4.3 percent decline from the 2017 record level. The EU, the Russian Federation, China and Australia account for much of the year-on-year contraction. They are also behind the recent lowering in the global production outlook, while prospects improved in North and South America. Total wheat utilization is expected to increase only marginally in 2018/19, with the global growth in wheat feed use affected by lower intakes in the Russian Federation and Ukraine, mostly due to reduced domestic supplies and less attractive prices. However, global wheat use for food consumption is seen increasing by 1.0 percent, which should result in a relatively stable average per caput level.



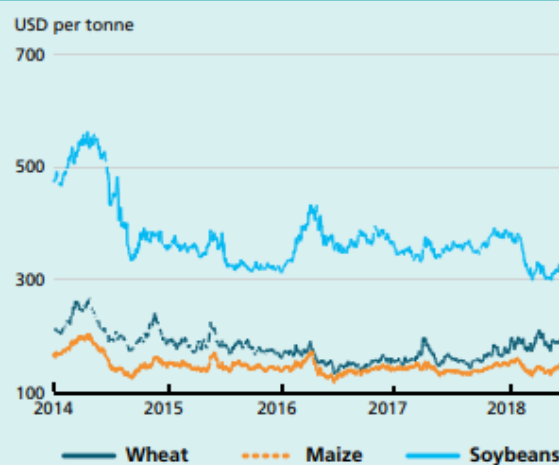
With world production forecast to fall below overall utilization, global wheat inventories in 2019 are anticipated to register a 4.5 percent decline from their record high opening level. The drawdown is expected to be concentrated among the major exporters, in particular the Russian Federation, the EU and the US, more than offsetting significant buildups expected in China and, to a lesser extent, in India. Consequently, the ratio of major wheat exporters' closing stocks to their total disappearance (defined as domestic utilization plus exports) – a measure of global market availabilities – is set to fall to a five-year low of 16.3 percent. Contrary to earlier predictions, world wheat trade is now forecast to contract in 2018/19 (July/June), albeit from the record levels achieved in the past two seasons. Among importers, Algeria, India and South Africa are anticipated to curb their wheat purchases in the wake of larger domestic harvests. As for exports, shipments from the Russian Federation are set to contract, reflecting a fall in domestic production. Similarly, wheat exports from Australia, the EU and Ukraine are anticipated to decline, which would more than counter a notable rebound of foreign sales by the United States, as well as bigger shipments from Argentina and Canada.

Futures prices of wheat, maize and soybeans have followed divergent paths during the last five months, each driven by global fundamentals, domestic crop developments and trade policies. Wheat prices on average were about 8 percent higher than during the first half of the year, buoyed by deteriorating crop prospects in several regions, including northern Europe, the Russian Federation and Australia. Total wheat ending stocks were estimated to decline by about 5 percent from last year's record levels, causing wheat prices to climb to a three-year high during August and maintain premiums over the same period for the last two years by as much as 30 percent. Maize prices experienced a seasonal

WORLD WHEAT MARKET AT A GLANCE

	2016/17	2017/18 <i>estim.</i>	2018/19 <i>f'cast</i>		Change 2018/19 over 2017/18
			<i>July</i>	<i>Nov</i>	
	<i>million tonnes</i>				<i>%</i>
WORLD BALANCE					
Production	756.7	760.4	736.1	727.9	-4.3
Trade¹	176.6	176.6	175.0	173.2	-1.9
Total utilization	734.5	737.2	741.1	740.1	0.4
Food	498.4	504.8	508.9	509.7	1.0
Feed	142.6	140.6	143.6	141.3	0.5
Other uses	93.4	91.8	88.5	89.0	-3.0
Ending stocks²	255.1	276.8	264.2	264.4	-4.5
SUPPLY AND DEMAND INDICATORS					
Per caput food consumption:					
World (kg/yr)	66.8	66.9	66.7	66.8	-0.1
LIFDC (kg/yr)	53.1	53.2	52.6	53.0	-0.4
World stocks-to-use ratio (%)	34.6	37.4	34.9	35.0	
Major exporters stocks-to-disappearance ratio ³ (%)	20.2	21.1	16.8	16.3	
FAO WHEAT PRICE INDEX* (2002-2004=100)					
	2016	2017	2018 <i>Jan-Oct</i>	Change* %	
	125	133	147	10.7	

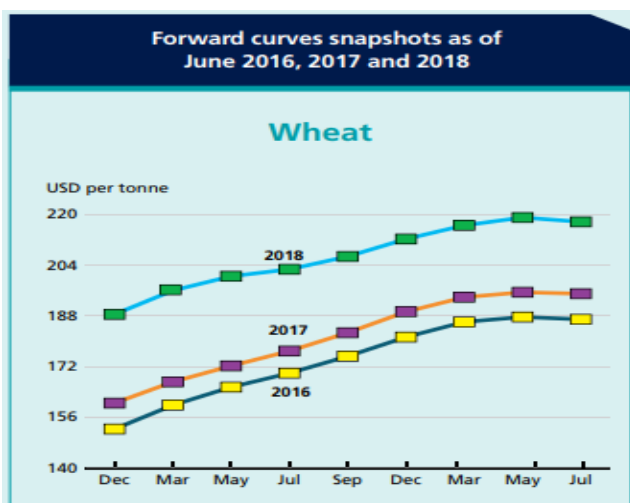
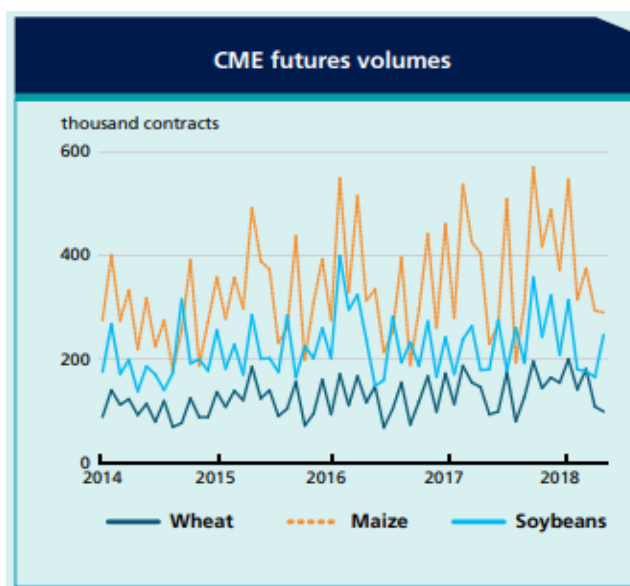
CME futures prices



World wheat prices

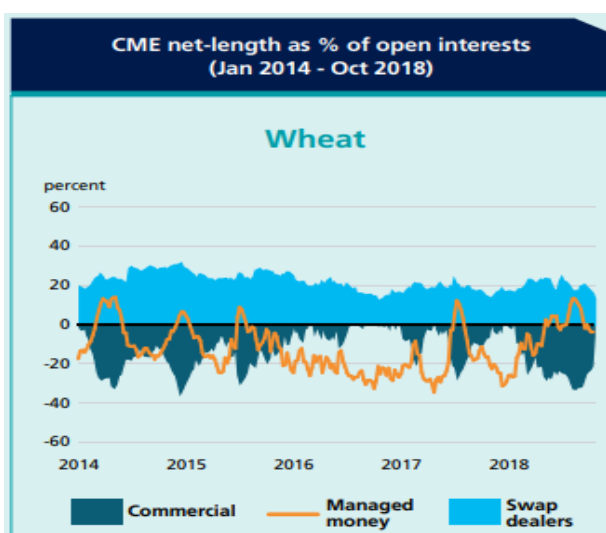
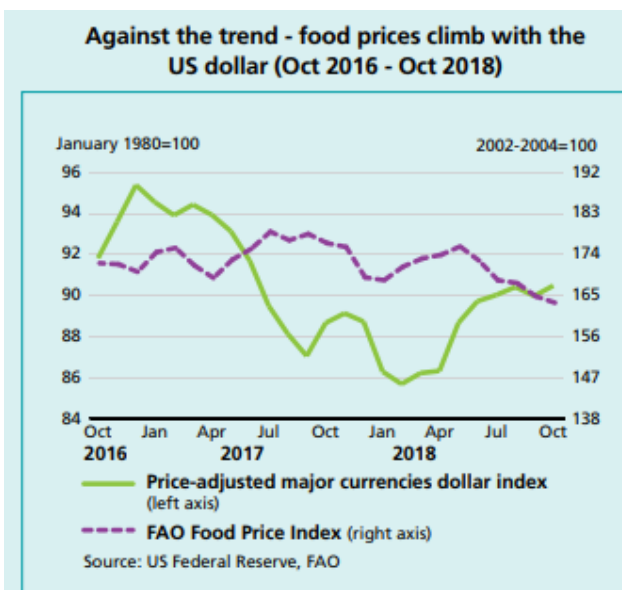
decline between May and September, as favourable weather in the US boosted yields. Despite record supplies at the start of the 2018/19 maize crop year (September 1), values remained mostly elevated compared with the same period for the past two years. Conversely, soybeans registered the worst price performance among the three commodities. After slumping to a ten-year low at the end of June in response to China's proposed trade tariffs, prices remained distressed as US weekly crop progress reports signalled record yields and production. Despite US origin soybean values declining as much as 30 percent below other origins, fully pricing-in the Chinese tariff, only

210 000 tonnes (three US soybean cargoes) were shipped to China between September 1 and November 1, compared with about 5 million tonnes for the same period last year. Record US domestic crush levels reported to be 17 percent higher year-on-year (y/y), were deemed unlikely to make up for lost exports to China, which exceeded 36 million tonnes in 2016/17. The influence of exogenous markets, such as foreign exchange movements and energy prices, remained subordinate to trade tariffs and supply and demand fundamentals. Higher trending prices of West Texas Intermediate crude oil y/y and the US Administration's promise to expand the percentage of ethanol from 10 to 15 percent in domestic gasoline blends may, however, have kept maize prices from falling below levels of the past two years. The US dollar, despite some analysts' predictions of continued upward movement, traded in a sideways pattern against the major currencies over the past five months, producing negligible effects on grain and oilseed prices.



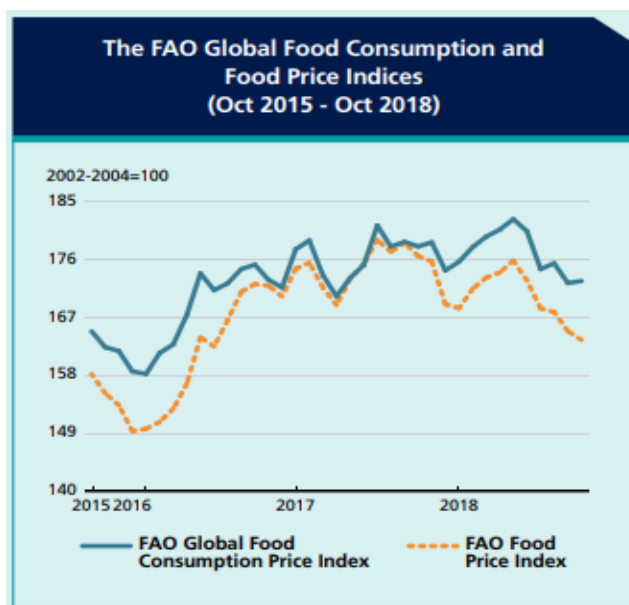
VOLUMES Trade volumes, which posted record numbers in the first six months of 2018, slowed in pace for soybeans, and to a lesser extent for wheat and maize. The slowdown in soybean trading could in part be attributed to China's tariff on US origin soybeans, which created a divergence between US and non-US prices and eroded the US-based Chicago Mercantile Exchange contract's effectiveness as a global hedging mechanism. Open interest for all three commodities also declined from record levels posted in June. The retreat in open interest and volumes was possibly a temporary deviation from a long-term trend of growing trade interest that has persisted since the advent of computerized trading. Trading strategies have increasingly evolved into more complex strategies – spreading (simultaneously buying and selling two different contracts) or futures and options combinations, creating greater transaction levels and open positions. The execution of these strategies, often generated by algorithms, has been greatly facilitated by the recent migration of options trading from open outcry to the exchange operated trade engine, which has matched virtually all the buy and sell orders for futures contracts for the past two years. Options open interest, when added to futures for wheat, maize and soybeans, reflected an additional rise of 30, 27 and 21 percentage points respectively to open interest totals, but the combined totals fell short of record numbers

VOLATILITY Volatility levels for wheat, maize and soybeans followed typical seasonal patterns, declining during the summer months as traders and analysts ascertained the level of deterioration in the global wheat markets and observed the steady progress of US maize and soybean crop development. China's soybean trade tariff, enacted in July, a seemingly landmark event, had little effect on volatility as China had ceased buying US cargoes as early as April. Historical volatility (based on 30 days) for both maize and soybeans ranged between the



levels of 17 and 27 (monthly averages), while wheat, normally exhibiting more volatile price action, ranged between 32 and 38 (monthly averages). Implied volatility (calculated by the level of option premiums on underlying futures contracts) was unremarkable for both maize and soybeans and registered mostly in the low 20s, while wheat reached a level of 31 in July and then declined into the 20s range. In general, volatility was moderate to low, but remained above the ultra-low levels recorded during January of 18, 11 and 12 for wheat, maize and soybeans, respectively. The most watched commodity volatility index, the OVX, which measures crude oil price volatility, has remained in a narrow range in the upper 20s, despite a considerable y/y rise in crude oil prices.

FAO Global Food Consumption Price Index lose momentum The FAO Global Food Consumption Price Index tracks changes in the cost of a global food basket as depicted by the latest FAO world food balance sheet (see <http://faostat3.fao.org/download/FB/FBS/E>). After exhibiting substantial variability throughout much of 2017, the index began to climb uninterruptedly, reaching a three-and-half year high in May 2018. Since then, it has lost around 10 points, and stood at 173 points in October. While the index still exhibits concordance with the trade-weighted FAO Food Price Index (FPI) in terms of trend, the FAO Global Food Consumption Price Index currently carries a margin of around 9 points over the FFPI. This is because international prices of foodstuffs that carry a much larger weight in the Consumption Index, namely cereals (59 percent), have generally increased throughout 2018



Source : food outlook FAO 2018,

Food Outlook - Food and Agriculture Organization of the United Nations

<http://www.fao.org/3/a-i7343e.pdf>

Industry conditions for wheat flour production in Thailand

Nowadays, Thai people are very familiar with wheat flour products. Whether bread Instant noodle Fresh noodles, bakery products such as buns, buns, snacks, and more Causing the wheat flour product industry In Thailand, the trend continues to grow.

The main raw material for the production of wheat flour is wheat, which is a cereal that grows well in a cold environment and Can not be grown in the country Thailand therefore needs to be imported from abroad. Which Thailand can import Both in the form of wheat and wheat flour The wheat and wheat flour imported from each country will have different properties. Normally, wheat can be divided into 2 types: hard wheat and soft wheat, which is obtained from hard rice. Will have high protein while the starch from soft rice will have low protein Therefore, entrepreneurs must first analyze the quality of wheat that is suitable to be processed into products for easy ordering. Wheat that Thailand regularly purchases is

- Hard Wheat from the United States, including Dark Northern Spring ("DNS") and Hard Red Winter ("HRW")
- Soft Wheat from the United States, including Western White and Australia, including Australian Standard White

Normally, Thailand imports mainly wheat from the United States and Australia. Followed by Ukraine and Canada And some are imported from countries within Asia as well But a small proportion compared to the orders from the United States and Australia The selling price of wheat is determined by Grain Exchange in the United States. Can be seen from the statistics of sources and quantities of wheat imports in Thailand in 2018 (top 10) as follows

No	Country	2018
1	America	572,819,209
2	Australia	227,175,220
3	Canada	118,135,208
4	Moldova	1,831,970
5	Pakistan	529,000
6	India	24,000
7	Germany	2,000
8	Philippines	96
9	Ukraine	2

No	Country	2017
1	Australia	334,211,329
2	United State	585,426,318
3	Canada	79,326,875
4	Ukrain	4,838,740
5	Slovakia	517,506
6	India	19,600
7	Italy	4,380
8	Germany	2,750
9	Turkey	450
10	Lituania	10

Importing wheat rice for making food in Thailand, there are three main countries consisting of USA, Australia, and Canada.

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, Sri Lanka and Singapore. The record of importing wheat flour market in Thailand on 2018 as followed:

No	Country	2018
1	Vietnam	62,424,969
2	Turkey	24,752,472
3	Philippines	13,568,612
4	Singapore	17,441,766
5	Sri Lanka	12,583,017
6	Slovenia	10,103,550
7	Latvia	10,013,576
8	Japan	8,595,087
9	South Korea	6,302,288
10	Australia	4,138,659

Country	2017
Vietnam	58,136,086
Turkey	20,423,798
Philippines	20,377,490
Sri Lanka	14,962,135
Singapore	12,712,815
Slovenia	12,598,100
Japan	12,393,078
Latvia	8,916,104
Republic of Korea	5,133,362
Malaysia	3,975,227

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 since 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 12 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

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.

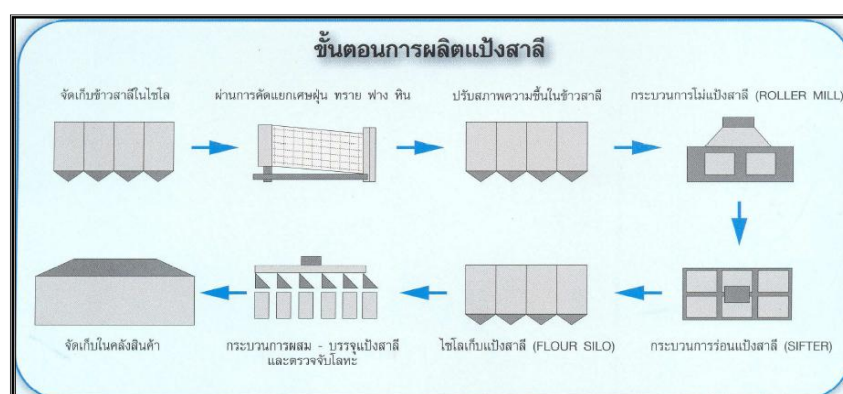
The Company totally pays attention to a production process since the product is related to food consumption which needs to remain hygiene. During the production process, there is a random check to control and evaluate products from a quality insurance department. The Company also sets a private sector 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 abroad.
- 2) Cleaning of grain (Wheat Cleaning) is the cleaning process. Adjust moisture And the duration of wheat fermentation To be suitable for the milling of wheat flour By bringing wheat grains through metal detectors, sorting dust particles, rice husks, dust, sand, straw, stone, separating all broken rice seeds And then scrub the seeds And into the water spray To adjust the moisture condition to allow the rice to absorb all the water so that the rice is soft and suitable for milling Wheat grains will pass through the cleaning process and adjust the total humidity 2 times.

The cleaning and humidity adjustment period will vary depending on the type of wheat grain. If it is a hard grain, it takes about 42 hours to clean the rice seed per 100 tons of rice, while the soft grain is about 30 hours per 100 tons of rice.

- 3) Milling The milling of wheat that has been cleaned through a grain polishing machine and a metal detector with a magnet to prevent contamination of the scrap metal. Later, through the grinding process Which will be crushed 2 times by crushing the first batch to grind so that the rice is separated from the grain shell The broken rice will pass through the sieve to sift the fine portion. And crushed the second set into flour In the part that has passed through a sieve and has a rough appearance, will be sent to grind with another roller until the desired size is obtained The yield will be 75% and 25% of flour and rice bran, respectively, which will be collected separately. Where the finished flour is packed into silos by separating the wheat varieties
- 4) Blending and packing Using wheat flour from the silo that can be produced by dividing each species together according to the recipe that the customer ordered. After that, sift the flour to make sure that the wheat flour does not contain any debris before packing it into a 22.5 kg bag and before storing it in the warehouse will pass the metal trap again.



The time for producing wheat flour is ready for distribution for hard-grain and soft grains for about 9.5 days and 9.0 days per 100 tons of wheat, respectively. At present, the company has 1 production line which can be manufactured throughout the operation. 24 hours, divided into 3 shifts, each time can produce only each species The maximum production capacity is 500 tons of rice per day. The capacity utilization rate during the year 2016 to year 2018 was 65.97%, 66.09% and 68.73% respectively. The utilization rate during the year 2018 increased. And if looking at the amount of production, it can be seen that the year 2018 has increased more than 2017 and 2016

Wheat Flour Producing	2018	2016	2017
Production Capacity (Ton/day)	500	500	500
The amount of capacity (Ton)*	156,000	156,000	156,000
The actual amount of capacity (Ton)	107,217	103,097	102,920
The Used of production capacity (%)	68.73	66.09	65.97
The amount of capacity's rate (decrease) (%)	4.00	0.17	12.33

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



An effect on environment

The company has invested in the most advanced machinery and technology in the country. The company's raw material and wheat processing system is closed so there is no problem spreading to the outside or surrounding communities. In addition to the production of the company. No use of water in the production process. No effluent is discharged into the factory. Therefore, the production process of the company. It does not cause environmental problems or complaints.



The Structure of stockholders and management

The amount of capital registration and paid

As of December 31, 2018 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 399,000,000 shares representing 398,665,061 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 December 31, 2018 are as follows

No.	List of major shareholders	2018		List of major shareholders	2017	
		Number of shares	%		Number of shares	%
1.	Thai Sugar Terminal Public Company Limited	274,508,840	68.86	Thai Sugar Terminal Public Company Limited	237,159,720	68.80
2.	Mr.Tanatron Guagunsree	7,084,700	1.777	Chase Nominees Limited	10,490,000	3.04
3.	Mr.Wiboon Sareeyotin	4,103,700	1.029	Mr.Tanatron Guagunsree	5,800,900	1.68
4.	Mrs.Nuchara Piansupap	3,144,471	0.789	Mr.Wiboon Sareeyotin	3,923,700	1.14
5.	Mitkasate Industry Company Limited	2,945,093	0.739	Thai NVDR Company Limited	3,666,553	1.06
6.	Mrs.Saratana Lerchaiprasit	2,800,005	0.702	Mrs.Nuchara Piansupap	2,876,827	0.84
7.	Mr.Prasert kangchang	2,571,700	0.645	Mrs.Saratana Lerchaiprasit	2,528,005	0.73
8.	Miss Tipsupa Suntonvaree	2,377,125	0.596	Mitkasate Industry Company Limited	2,524,366	0.73
9.	Mr.Wiroj Pungpanyaluad	2,340,000	0.587	Mr.Wiroj Pungpanyaluad	2,240,000	0.65
10.	Mr.Intarat Wongsree	2,100,000	0.527	Mr.Intarat Wongsree	2,010,000	0.58
	<i>Top 10 shareholders</i>	<i>276,975,634</i>	<i>76.248</i>	<i>Top 10 shareholders</i>	<i>273,220,071</i>	<i>79.25</i>
	<i>Other minority shareholders</i>	<i>121,688,427</i>	<i>23.752</i>	<i>Other minority shareholders</i>	<i>71,486,355</i>	<i>20.75</i>
	Total shares	398,664,061	100.00	Total shares	344,706,426	100.00

List of Shareholders and Proportion of Shareholding of Thai Sugar Terminal Public Company Limited First 10 as at December 31, 2018.

No.	Name of Shareholders	2018		Name of Shareholders	2017	
		Number of Shares	%		Number of Shares	%
1.	Khon Kaen Sugar Industry Pcl.,Ltd.	91,301,062	23.818	Khon Kaen Sugar Industry Pcl.,Ltd.	91,301,062	23.818
2.	Mr.Chanachai Chutimaworaphan	63,818,515	16.649	Mr.Chanachai Chutimaworaphan	63,818,515	16.649
3.	Prachuab Industry Co., Ltd.	38,000,252	9.914	Prachuab Industry Co., Ltd.	38,000,252	9.914
4.	Mrs.Yaowanuch Dejvitak	31,299,893	8.165	Miss Yaowanuch Dejvitak	31,299,893	8.165
5.	Miss Yaowaluk Chutimaworaphan	27,206,675	7.098	Miss Yaowaluck Chutimaworaphan	27,206,675	7.098
6.	Ratchaburi Sugar Co.Ltd.	19,022,666	4.963	Ratchaburi Sugar Co.Ltd.	19,022,666	4.963
7.	Mitr kasetr Co., Ltd.	18,169,747	4.740	Mitr kasetr Co., Ltd.	18,169,747	4.740
8.	Mr. Prapas Chutimaworaphan	16,027,170	4.181	Mr. Prapas Chutimaworaphan	16,027,170	4.181
9.	Mrs. Boonprom Chinbhilas	5,402,978	1.409	Mrs. Boonprom Chinbhilas	5,402,978	1.409
10.	Mrs. Patcharee Chinthummit	3,960,000	1.033	Mrs. Patcharee Chinthummit	3,960,000	1.033
	<i>Top 10 shareholders</i>	<i>314,212,442</i>	<i>81.970</i>	<i>Top 10 shareholders</i>	<i>314,212,442</i>	<i>81.970</i>
	<i>Other minority shareholders</i>	<i>69,114,739</i>	<i>18.030</i>	<i>Other minority shareholders</i>	<i>69,114,739</i>	<i>18.030</i>
	Total shares	383,627,181	100.00	Total shares	383,627,181	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 Chutimavoraphan, Mr.Chanachai Chutimaworaphan, Dr.Charnkrij Dejvitak, Dr.Supasorn Chayowan,
Mr.Somchai Chinthummit, Mr.Narong Chenlapwatanakul, Mr.Dhanadon Sujiphinyo and Mr.Chalush Chinthummit

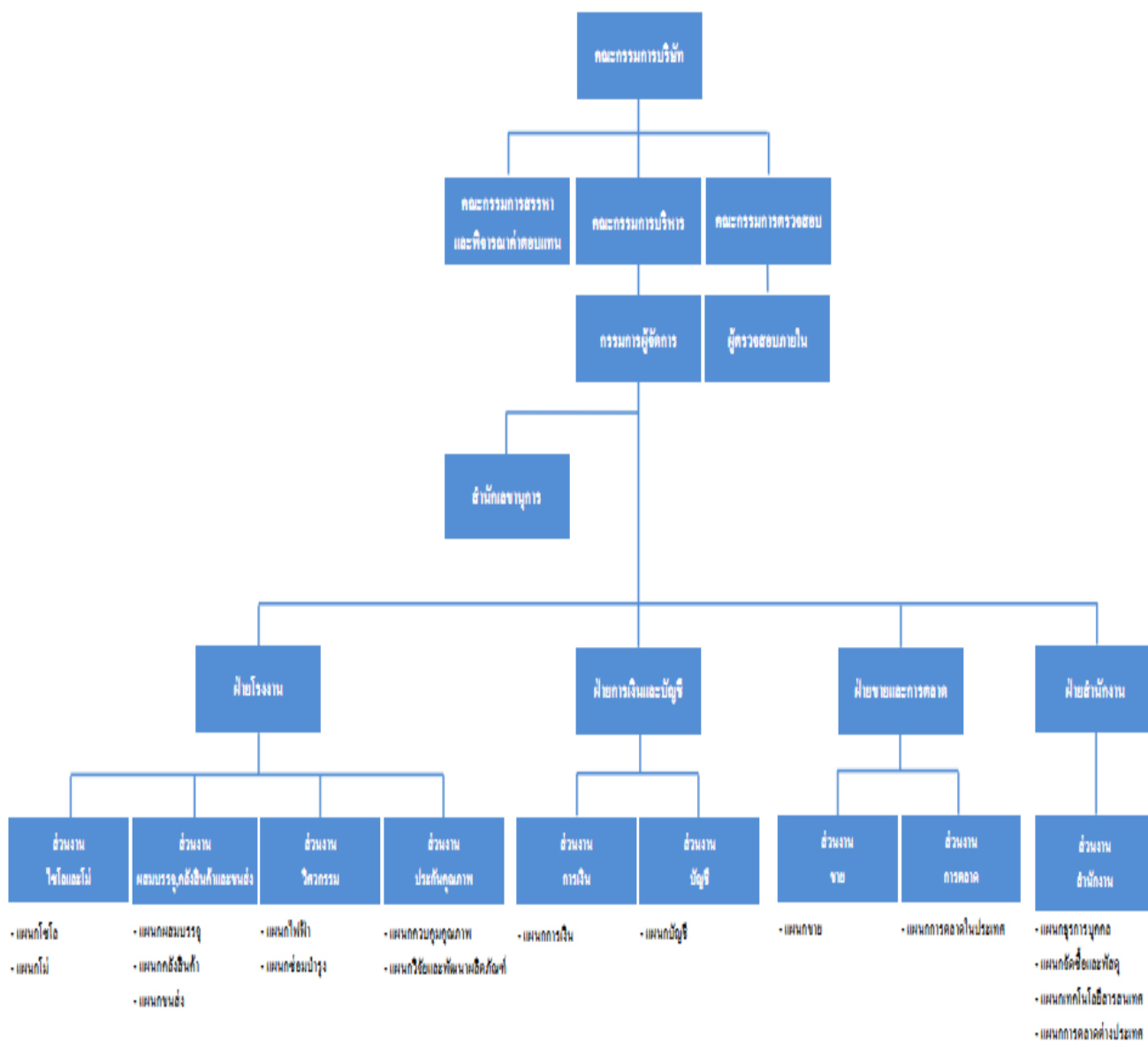
Dividend Policy

The Company has a policy to pay dividends to shareholders at the rate of not less than 50% of net profit after corporate income tax of the separate financial statements. And after the legal reserve. And other collections. As specified by the Company. The dividend payment may be subject to change depending on the financial status. Performance, investment plan, necessity and other appropriateness. In the future, the Board of Directors And / or the shareholders of the Company deem appropriate.

Dividend Payment

Dividend payment details	2017	2016	2015
1. Net income from financial statements (Bath)	106,595,447.56	105,489,342	69,503,869
2. Legal reserve (Bath)	5,400,000.00	5,300,000	3,500,000
3. Net profit after legal reserve (Bath)	101,195,447.56	100,189,342	66,003,869
4. Total dividends paid (Bath)	79,732,782.20	61,606,683.54	51,320,953.40
5. Dividend payout ratio vs. net profit after legal reserve each year (Bath)	78.79	61.49	77.75

Organizational Chart



Dharmniti Auditing Co., Ltd is responsible for internal control

Remark : At the Board of Directors' Meeting No.12/2015 When December 5, 2015

Business structure and management

In 2018, the Board of Directors Has reviewed and approved the vision, mission, strategic plan / strategy in the production sector management And long-term goals in business operations To ensure that the company Will be able to grow in the direction that is placed By the Board of Directors meeting Have approved as proposed in all respects as follows

vision

"We" are the leading wheat flour manufacturers.

By focusing on the development of excellence in both commercial and product quality as a professional

mission

1. Strive to continuously deliver the highest quality products and services to all customers.
2. Encourage employees to have leadership at all levels and create an atmosphere to be a learning organization.
3. Give priority to return on investment to shareholders With continuous high profit growth rates
4. Be an example of professionalism, transparency and business practices with good governance.
5. Be a model in conducting business in accordance with moral standards, ethics and social responsibility consciousness.

And the environment

Strategic plan / strategy for the management of the manufacturing sector

Strategy 1:

- Storing wheat in an iron tank, coated with eternity
- Maximum capacity over 60,000 tons
- Fully automatic conveyor system
- SCADA computer program
- J-System fumigation technology



Strategy 2:

- The most advanced production technology in the world With a maximum production capacity of 500 tons of wheat per day
- Closes System is environmentally friendly
- Certification of international food safety standards GMP HACCP ISO 22000:2005 and HALAL

Strategy 3:

- Warehouse for storing wheat flour is designed to be hygienic and good according to GMP principles.
- Able to store up to 2,000 tons of wheat flour
- Up to 4 tons of wheat flour per hour of wheat flour per hour
- Closed system of wheat flour room

Strategy 4:

- The most complete and modern wheat flour milling and grinding system in the world



Strategy 5:

- Equipment and tools in all scientific laboratories have been verified Analysis results from external institutions that have received ISO / IEC 17025 certification

Strategy 6:

- Research and development of wheat flour products for quality and safety in accordance with international food law (CODEX) requirements and responding to the highest customer satisfaction.

Strategy 7:

- Car transport, wheat flour, equipment installation and most modern loading and unloading systems A bucket of wheat flour is made from 316 L stainless steel tank that has been standardized and hygienic in accordance with GMP principles. It can transport wheat flour up to 160 tons per day.



Objective / Business plan

1. The company will push the factory to fully utilize the existing production capacity. For efficiency And effectiveness And for the company There are enough products to support the increasing needs of customers in the future.
2. The company plans to expand the customer base to be more diverse. From the original focus on a large industrial group to cover more small and medium enterprises Including the final consumer To reduce concentration in large industrial customers In addition, the company Also saw the opportunity to expand the customer base To cover more provinces Because the company currently Focus on selling products to customers in Bangkok and its vicinity. In expanding the customer base, the company will There is a way to increase the revenue base of the company, thus increasing the profit margin and generating more return for shareholders.
3. The company has a plan to develop new products. Come out to sell more than the present Including developing existing products to increase value For the company Can sell products at higher prices Which will result in the Company Have higher income Able to generate more returns for shareholders

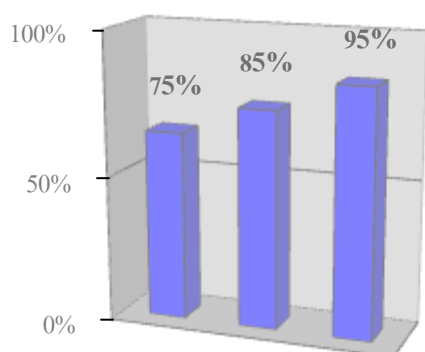
Year 2018 goals in business operations

1. Manage the company to grow overall 10%
2. Invest in education And the development of wheat flour products (R&D) to increase product value

Long-term goals in business

1. Increase customers from 200 to 300 within 1-2 years
2. Pushing to use production capacity to 90-100% of total production capacity
Which is 500 tons of wheat per day Within the next 3-5 years

Capacity utilization rate





The company's management structure consists of

Board of Directors

Composed of 12 directors, is responsible for managing all business operations of the company. To be in accordance with the policy, guidelines and goals that are most beneficial to the shareholders By taking into account the benefits of all stakeholders fairly Have a responsibility to society under the framework of good ethics and practices aimed at being a good citizen

Shareholders

The Company conducts business with fairness for the best interest of shareholders. With regard to sustainable growth And provide appropriate returns continuously Shareholders appoint the Board of Directors In the general meeting of shareholders General meeting Shareholders acknowledge the Company's annual performance. And consider the meeting agenda according to the law, including the approval of the financial statements and the remuneration of the directors

Executive Committee

Appointed by the Board of Directors Consisting of 6 directors which the authority of the Executive Committee Will not include any approvals that may have conflicts or items Executive Committee Or a connected person to the Executive Committee has an interest Or any other benefits in conflict with the Company Or subsidiary According to the rules of the Stock Exchange of Thailand The approval of such transactions must be submitted to the Board of Directors and/or the shareholders' meeting. To consider and approve such transactions According to the company's regulations Or related laws

Audit Committee

Appointed by the Board of Directors Consists of 3 independent directors, responsible for examining financial statements And provide guidelines for internal audit With at least 1 director having sufficient knowledge and experience to review the reliability of financial statements

Nomination and Remuneration Committee

Appointed by the Board of Directors Consisting of 2 directors and 1 independent director to select persons who should be nominated as directors Sub-committee And the President Including setting fair compensation

Independent Director

Is a director who is independent from the major shareholders Or a group of major shareholders, controlling persons and executives of the company Has a duty to express opinions freely according to the mission assigned to protect the interests of shareholders and all stakeholders equally. At the end of 2018, there were 4 independent directors

Chairman of the Board

The Board of Directors selects one director to be the chairman of the board. To support and promote the Board of Directors Perform duties fully According to the scope of responsibility And supervise and monitor the management of the Board of Directors And sub-committees to effectively achieve the objectives

Risk Management Working Group

Appointed by the Board of Directors Consisting of executive level Department level manager And chiefs from all departments Acting to define risk management policy Risk management plan And risk management processes throughout the organization

Managing Director

Appointed by the Board of Directors Acting to manage the work of the company To be in accordance with the objectives, policies and strategies set by the Board of Directors And report the results to the Board correctly and transparently Consisting of management Manage the responsibilities in accordance with the policies and goals assigned by the President. Manage to create a system that works in the same direction Consider important issues for business operations and scrutinize

Company Secretary

Appointed by the Board of Directors Acting as the Company Secretary in accordance with the Securities and Exchange Act (No. 4) BE 2008 and as prescribed by the Capital Market Supervisory Board Including working as assigned by the Board of Directors

The list of the Board of Directors as at December 31, 2018 is in total of 12 persons, consisting of

No.	Name List	Position
1.	Mr.Pricha Attavipach	Chairman / Independent Director
2.	Mr.Prapas Chutimaworaphan	Executive Chairman
3.	Mr.Somchai Vanavit	Independent Director
4.	Dr.Charnkrij Dejvitak	Executive Vice Chairman & Managing Director
5.	Mr.Chanachai Chutimaworaphan	Executive Director
6.	Mr.Dhanadon Sujiphinyo	Executive Director
7.	Mr.Chalush Chinthummit	Executive Director
8.	Mr.Narong Chenlapwatanakul	Executive Director
9.	Dr.Supasorn Chayowan	Committee
10.	Mr. Somchai Chinthummit	Committee
11.	Mr.Chalermchai Wongwaiwit	Independent Director
12.	Mr.Anek Khamchum	Independent Director

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 who are bound by the company certificate

Authorized directors who are authorized to sign on behalf of the company are Mr.Prapas Chutimaworaphan or Dr.Charnkrij Dejvitak or Mr.Chanachai Chutimaworaphan or Mr.Narong Chenlapwatanakul or Mr.Dhanadon Sujiphinyo or Mr.Chalush Chinthummit, two out of six people signed together Together with the company's seal.

Independent Director

Independent directors are directors who are independent from major shareholders. Or a group of major shareholders, controlling persons And the management of the company Has a duty to express opinions freely according to the mission assigned To protect the interests of all shareholders and all stakeholders equally

The company has determined the qualifications of independent directors according to the announcement of the Capital Market Supervisory Board as follows:

1. Holding shares not more than 1% of the total number of shares with voting rights of the company, parent company, subsidiary company, associate company, major shareholder or controlling person of the company Which shall also include the shareholding of the related persons of such independent director

2. Not being or used to be a director who is involved in the management of work, employees, consultants who receive regular salary Or controlling person of the company, parent company, subsidiary company, associated company, same-level subsidiary Major shareholder Or of the controlling person of the company Except that such person has been terminated for not less than 2 years. Such prohibited characteristics do not include the case that the independent director used to be a government official Or consultants of government agencies which are major shareholders Or the controlling person of the company

3. Not a person with a blood relationship Or by legal registration In a manner that is the father, mother, spouse, sibling and child, including spouse of the children of the executive, the major shareholder Controlling person Or a person who will be offered as an executive or authority Control of the company or subsidiary

4. Not having or having a business relationship with the company, parent company, subsidiary company, associate company, major shareholder Or the person having control of the company in a manner that may obstruct their independent judgment Including not being or having been a significant shareholder Or the controlling person of Those who have business relationships with the company, parent company, subsidiaries, associates, major shareholders Or the controlling person of the company Unless it has been terminated for not less than 2 years

5. Not being or having been an auditor of the company, parent company, subsidiary company, associate company, major shareholder Or the controlling person of the company and not a significant shareholder Controlling person Or partner of the audit office Which has the auditor of the company, the parent company, subsidiary company, associate company, major shareholder Or the controlling person of the company under Unless it has been terminated for not less than 2 years

6. Not being or having been a professional service provider Which includes providing services as a legal advisor or financial advisor Which received a service fee of more than 2 million baht per year from the company, parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company And not being a significant shareholder Controlling person Or a partner of that professional service provider Unless it has been terminated for not less than 2 years

7. Not being a director appointed as a representative of the company's directors Major shareholder Or shareholders Which is related to the major shareholder

8. Not operating in a business that has the same conditions and is a significant competition with the business of the company or subsidiary or is not a significant partner in the partnership Or being a director who is involved in the management of employees, employees, consultants who receive regular salary Or holding more than 1% of the total voting rights of other companies Which operates a business that has a condition The same and is a significant competition with the business of the company or subsidiary

9. There is no other characteristic that makes him unable to give independent opinions about the operations of the company.

Independent directors who are qualified under 1 to 9 may be assigned by the Board of Directors to make decisions on the operation of the company, the parent company, subsidiaries, associates, subsidiaries, the same company. Major shareholder or controlling person of the company By having a decision in the form of a collective decision

In the event that the person that the company Appointed to be an independent director who has or has a business relationship or professional service in excess of the value specified in Article 4 or Article 6. The Board of Directors May consider granting grace If the appointment of such person does not affect the performance and the independent opinion, the company has disclosed the following information in the notice of the shareholders' meeting in the agenda to consider and appoint such independent director.

- (A) the nature of business relationships or professional services That causes such person to not qualify according to the criteria
- (B) Reason and necessity that remains or appoints such person as an independent director
- (C) Opinion of the Board of Directors in proposing to appoint such person as an independent director

Appointment and retirement from the Board of Directors

The Company has determined the appointment and retirement of the Company's directors. Summarized as follows

Appointment of directors

1. Shareholders are authorized to elect directors. By the Nomination and Remuneration Committee Will select the appropriate person to be nominated as the Company's director and present to the shareholders' meeting For approval With the following criteria

- 1.1 One shareholder With votes equal to the number of shares he holds By one share per one vote
- 1.2 Election of Directors Will vote individually Or for one time, the total number of directors that must be elected at that time According to the meeting of shareholders By voting Whether it is an individual election Or as a party Each person holding the voting shares will receive the votes from the shareholders according to the number of shares that the shareholder has in all (1) No more or less
- 1.3 Persons who receive high votes respectively Being elected as a director in the amount equal to the number of directors that should have or should be elected at that time. In the event that the person elected in the next order With votes equal to the number of directors that should be Or will be elected at that time The chairman of the meeting shall have a casting vote.



2. The Board of Directors selects one director to be the chairman of the board. And the Board of Directors can consider selecting directors One or more people are vice-presidents. To perform duties in accordance with the Company's regulations And as assigned by the Chairman (Currently, there is no appointment of the Vice President)

3. The Board of Directors elects one director as the President.

4. In the event that the position of director is vacant for other reasons In addition to the expiration of the term The Committee shall select persons who have full qualifications and do not have prohibited characteristics under the law. To be a director in the next board meeting Unless the term of the vacant director is less than two months The person who is the replacement director will be in the position of director.

5. Have the power to monitor the operation results in accordance with the operation plan and the operating budget of the company. As well as regularly monitoring the operations and operations of the management In order for the business operation of the company Be effective

6. Have the power to appoint, assign or recommend the subcommittee or working group To consider or act on one subject What the Board of Directors deems appropriate

7. Implementing the Company's internal audit measures To create an effective internal control system Including risk management And the reliability of financial reports By arranging for an internal audit unit to be a follow-up and joint operation and coordinate with the Audit Committee

8. Prepare the annual board report and be responsible for the preparation and disclosure of financial statements. To reflect the financial status and operating results of the previous year in order to propose to the shareholders' meeting

9. Arrange for an annual general meeting of shareholders within 4 months from the end of the Company's fiscal year.

10. Have the power to consider and approve any matters that are necessary and relevant to the company. Or that is deemed appropriate and for the benefit of the company

In addition, the Board of Directors also has the scope of duties to supervise the Company to comply with the law on securities and exchange. SET regulations such as connected transactions Acquisition or disposition of assets according to the regulations of the Stock Exchange of Thailand Or according to the announcement of the Securities and Exchange Commission Or laws related to the business of the company

Authority of the Board of Directors

1. Approve vision, strategy, short-term business plan, long-term and important policies such as good corporate governance policy Anti-corruption policy, etc.

2. Approve financial criteria, investment and investment direction of the company Including financial goals, plans and annual budgets

3. Approve the request for the purchase of employment in excess of the approval limit of the President.

4. Approve important operations of the company Under legal requirements Objective frame Company regulations And the resolution of the shareholders' meeting Including monitoring the management to follow the policies and plans with efficiency and effectiveness

5. Approve the transaction in accordance with the Securities and Exchange Act. Including related rules such as connected transactions Acquisition or disposition of assets

6. Approve the payment of interim dividends to shareholders. And the annual compensation adjustment of employees
7. Approve to take positions in other organizations of the President.

The approval authority of shareholders to carry out important matters

The implementation of important matters must be approved by the shareholders' meeting with a vote of not less than three-fourths (3/4) of the total votes of the shareholders attending the meeting and having the right to vote. Are as follows

1. Sales or business transfer of the company All or part of important to others
2. Purchase or transfer of business of other companies or private companies to the Company
3. Amendment or cancellation of the contract regarding the lease of the business of the company All or part of important
4. Assigning other persons to manage the business of the company
5. Combining business with other people to manage the business of the company
6. Amendment to the Parinhy Junction or Articles of Association
7. Increasing capital or reducing the company's capital Or issuance of debentures
8. Amalgamation or dissolution of the company

Authority of the Chairman

In order to give the authority to formulate policies And management of the company Can be clearly separated Including for the leadership role of the Board of Directors And supervising the operations of the management to be effective Therefore assigned the Chairman of the Board of Directors And the President Is a different person By the Chairman of the Board of Directors Have the following authority

1. Call a meeting of the Board of Directors Chairman of the Board of Directors meeting And shareholders' meeting As well as setting the agenda Together with the President
2. Attend the Board of Directors meeting And shareholders' meeting And control the meeting to be effective According to the regulations of the company Support and provide opportunities for directors to receive sufficient information And can express opinions independently
3. Support and encourage the Board of Directors to perform their duties to the best of their ability according to the scope of authority responsibility And good corporate governance principles And support the performance of the President
4. Oversee the management of the Board of Directors And other sub-committees To achieve the objectives
5. casting votes at the Board of Directors meeting In the event that both votes are equal

Sub-committee

In order to comply with good corporate governance principles Board of Directors Has appointed a sub-committee To consider and scrutinize important and important operations in a careful and effective manner Structure of sub-committees Are as follows

Executive Committee

As of December 31, 2018, the Executive Committee There are a total of 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

Remark : Mrs.Waewta Natphan has been appointed to be the secretary to the Executive Directors

Scope of authority of the Executive Committee

1. To operate and manage the business of the company in accordance with the objectives, regulations, policies, rules, regulations, orders and resolutions of the Board of Directors meeting. And / or the resolution of the shareholders' meeting of the company in all respects

2. To consider and determine the policy, direction and business strategy of the company Define budget plans Human Resource Management Information technology investment, public relations expansion And control and supervise the operation of the appointed working group to achieve the goal

3. Consider the annual budget allocation as proposed by the management. Before proposing to the Board of Directors for consideration and approval, including considering and approving changes and adding annual expenditure budgets during the absence of the Board of Directors meeting And to propose to the Board of Directors To know at the next meeting

4. Have the power to consider and approve the spending of money in the normal business operations of the company, such as purchasing assets, raw materials, machinery, vehicles, auctions, jobs, etc. In the amount of not more than 10,000,000 baht (ten million baht) for each item, and approve the amount of raw materials such as wheat for each item not exceeding 250,000,000 (two hundred and fifty million) baht and report to the Board of Directors for acknowledgment

5. Approve spending on important investments As specified in the annual expenditure budget as assigned by the Board of Directors Or as the Board of Directors had previously approved in principle

6. Has the power to consider approving loans, procurement of credit lines or issuing debt instruments. Including providing collateral Loan or credit guarantee Or requesting any loan from the company

7. To be a management advisor on matters relating to financial policy, marketing, personnel management And other operations

8. Determine the organizational structure Organizational management power Including the appointment, hiring, transfer, determination of wages, compensation, bonus, executive level employees And termination

9. To have the power to authorize one or more directors or any other person to perform any act Which is under the control of the Executive Committee Or may authorize such person Have the authority as the Executive Committee deems appropriate And within the time that the Executive Committee deems appropriate Which the Board of Directors may cancel, withdraw, change or amend the authorized person Or that power Can be as the Executive Board deems appropriate

10. Take any other action As the Board of Directors Assigned from time to time

The authority of the Executive Committee Will not include any approvals that may have conflicts or items Executive Committee Or a connected person to the Executive Committee has an interest Or any other benefits in conflict with the Company Or subsidiary According to the rules of the Stock Exchange of Thailand Which approval of such items Must propose to the Board of Directors and / or the shareholders' meeting to consider and approve such transactions According to the company's regulations Or related laws

Audit Committee

Audit Committee Appointed from at least 3 directors, who are independent directors of the company. By having qualifications as an independent director according to the announcement The Stock Exchange of Thailand and / or the Securities and Exchange Commission And must have at least 1 director who is knowledgeable, capable and experienced enough to be responsible for reviewing the reliability of financial statements

As at December 31, 2018, 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 October 29, 2015

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

Qualifications of the Audit Committee

The Audit Committee must consist of at least 3 members, with the following qualifications

1. Appointed by the Board of Directors To be an audit committee And the Audit Committee shall appoint one member of the Audit Committee to be the Chairman of the Audit Committee.
2. Being a qualified independent director And have the same qualifications as specified in the Stock Exchange of Thailand announcement on the qualifications and scope of work of the Audit Committee.
3. Be able to perform duties And comment Or report the performance as assigned independently Which is not under the control of the management or the major shareholder of the company Including those involved Or a close relative of that person.
4. Have sufficient knowledge and experience to be able to act as an Audit Committee member. At least one member of the Audit Committee must have sufficient knowledge and experience to be able to review the reliability of the financial statements.

Term of office of the Audit Committee

1. The Audit Committee has a term of office according to the term of office of the director.
2. Audit Committee members who are retired by rotation May be appointed to a new position as the Board of Directors Considered appropriate
3. In the case of the Audit Committee member vacating office, in either case, the company must clarify the reasons for the SET.
4. In the event that the Audit Committee is vacant for other reasons In addition to the expiration of the term To the Board of Directors Consider the appointment of other qualified directors. As a new audit committee Within 3 months from the date of the number of audit committee members is not complete as specified.

Authority and duties according to the charter

1. Review the company Have financial reports in accordance with the accounting standards set by law correctly and adequately
2. Review the company Have an appropriate and effective internal control system and internal audit system And review the effectiveness And the adequacy of the risk management process
3. Review the company Comply with the Securities and Exchange Act. And laws related to the business of the company
4. Considering connected transactions Or items that may have conflicts of interest to be in compliance with the laws and regulations of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and for the best benefit of the Company
5. Consider, select, propose the appointment of persons with independence To act as the auditor of the company, propose to terminate the employment, propose compensation for the auditor Including attending meetings with the auditor without the management attending At least once a year
6. Consider the scope of the audit and the audit plan of the auditor and the internal audit office. To have a relationship and support each other And reduce duplication in respect of financial audits
7. Approve the audit plan Including giving opinions for consideration of the budget and manpower of the Internal Audit Office
8. Consider the appointment, transfer and dismissal of the internal audit manager Including considering the independence of the internal audit office
9. Review the efficiency and effectiveness of information technology systems related to internal control and risk management.
10. Prepare the Audit Committee's report and disclose it in the Company's annual report.
11. Have the authority to access the information of the inspection and investigation of related persons under the scope of authority of the Audit Committee. By complying with the company's regulations
12. If found or have questions that have items Or actions which may have a significant impact on the financial position and operating results of the company The Audit Committee shall report to the Board of Directors. For timely improvement

12.1 List of conflicts of interest

12.2 Corruption or irregularities or significant defects in the internal control system

12.3 Violation of securities laws And stock exchange SET regulations Or the law Relating to the business of the company

If the Board of Directors Or the executives do not proceed to make corrections within the appropriate time Without reason The Audit Committee must report whether there is a transaction or action that violates the said law to the Securities and Exchange Commission. Or the Stock Exchange of Thailand immediately upon receiving such information

13. Perform any other tasks assigned by the Board of Directors

The Nomination and Remuneration Committee

As of December 31, 2018 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

Remark : Mrs.Waewta Natphan has been appointed to be the secretary to the Nomination and Remuneration Committee

Term of the Nomination and Remuneration Committee

1. Nomination and Remuneration Committee Having a term of office according to the term of office of a director
2. Nomination and Remuneration Committee Who vacate office upon the expiration of the term may be reappointed as the Board of Directors Considered appropriate

Authority and duties according to the charter

The roles and duties of the Nomination and Remuneration Committee are divided into 2 parts:

Part 1 Recruitment of Directors

1. Consider and recommend the structure, size and composition of the Board of Directors And sub-committees To be suitable for the size, type and complexity of the business With transparency Without the influence of the controlling shareholder And create confidence for outsiders To propose to the Board of Directors and / or the shareholders' meeting for approval, as the case may be

2. Consider the characteristics of the person who will be a director of the company. To be appropriate With guidelines for the following considerations

- 2.1 The Board of Directors Consisting of directors with skills, knowledge, abilities, qualifications and without Characteristics Prohibited by relevant laws and regulations Good Corporate Governance Handbook And the company's regulations

- 2.2 General characteristics such as morality and responsibility Decision making with information, reason, qualification courageous and independent opinions Adhering to professional principles and standards and variety in areas such as knowledge, work experience, age and gender
- 2.3 Knowledge features Specific expertise (Skill Matrix) that is consistent with the business and needs of Company or according to conditions that are necessary And if in the list of government agencies that are certified, it will be benefit to the company
- 2.4 Consider the directors who are able to devote their time to fully perform their duties. The directors must not maintain Position in more than 5 listed companies and executive directors should not hold positions in listed companies register more than 3 places
3. Consider the qualifications of the person who will be an independent director To be suitable for the company and rules of the Securities and Exchange Commission And the Stock Exchange of Thailand Including no prohibited characteristics as required by law and relevant rules
4. Propose criteria and directors for nomination of directors To be appointed to the Board of Directors for consideration
5. Consider selection of persons who deserve to be nominated as directors. Both in the case of vacancy Or in the case of the director having completed his term of office To propose to the Board of Directors and / or the shareholders' meeting for approval, as the case may be
6. Consider the list of directors That should be appointed as a sub-committee To propose to the Board of Directors Consider approving
7. Consider and scrutinize the names and biographies of persons who will be nominated for the position of President as carefully and appropriately for the benefit of the company. To propose to the Board of Directors Consider approving
8. Consider and determine the composition and goals of the President's performance. Both in leadership Determining and implementing strategies Financial performance Relationship with the Board of Directors and Management Succession planning, etc., to be used as a basis for performance evaluation. And determine annual remuneration To propose to the Board of Directors Consider approving
9. Consider and evaluate the performance of the President According to the criteria Including the annual salary adjustment rate, bonuses, benefits and other benefits Both monetary and non-monetary To propose to the Board of Directors Consider approving
10. Consider the succession plan for the President and top executives To prepare for a successor In the event that the President Or senior management Retired or unable to perform duties To allow the management of the company Can proceed continuously

Part 2: Determination of directors' remuneration

11. Consider and recommend the structure, criteria and forms of compensation Director Sub-committees such as regular remuneration, bonuses, meeting allowances and other forms of remuneration Both monetary and non-monetary, which is suitable for the size of the business, sufficient and fair, able to motivate and retain quality directors And in accordance with the interests of shareholders By remuneration for directors And sub-committee Must be presented to the shareholders' meeting for approval

12. Determining criteria and forms of remuneration for the President With regard to appropriateness, fairness and fairness in order to create incentives for creating sustainable value-added for the company And able to maintain talented executives to stay with the company by the President's remuneration Board of Directors Approved

13. Perform other duties As assigned by the Board of Directors

Procedures for nomination of directors

When the Nomination and Remuneration Committee Has selected the names of persons nominated as directors of the company Or sub-department The Nomination and Remuneration Committee shall screen the qualifications as specified by the Board of Directors. Set and according to the following conditions

1. Consider the appropriateness of knowledge, experience, specific talents Useful to the company Have experience in the main business or industry that the company Operate For the Board of Directors There are components as specified by setting up a Board Skills Matrix which helps the selection of directors to be in line with the business direction of the company

2. Considering diversity, including gender, age, race, nationality, expertise, skills and experience (Board Skills Matrix), knowledge, ability, both academic And supporting factors for sustainability In order to obtain the directors who can perform their duties efficiently And support the entire Board of Directors composition to be complete Both in terms of knowledge, ability, experience, and dimensions, which are beneficial for maximum efficiency

3. Examine the person who is being proposed, has the qualifications according to the laws and regulations of the regulatory agencies such as the Public Limited Company Act, 1992, Securities and Exchange Act BE 2535

4. Consider the dedication of directors If being the same director who will be re-elected for another term Consider the performance during the term of the director. Including considering the number of listed companies that each director holds To be suitable for the nature or business condition of the company which is not more than 5 listed companies

5. In the case of the appointment of independent directors Consider the independence of the person to be nominated as an independent director. According to the regulations set by the SEC Office and the company's rules As well as considering the need for additional independent directors In the case that the current independent director lacks the qualifications in order for the board structure of the company According to the policy set by the Board of Directors

6. Consider the term of independent directors If the former independent director is to be re-appointed for another term Must have a term of office continuously from the date of being appointed to be the first independent director for not more than 9 years

7. Proceed to approach the person who meets the qualifying criteria To ensure that such persons are willing to accept the position of the company director If appointed

8. Propose a list of people who have considered screening according to the above criteria. With qualifications and reasons for selection To the Board of Directors Considering and approving to propose shareholders to approve Or the Board of Directors Can approve the appointment in the case of appointing a director to replace the vacancy Or resigned during the year Which is in accordance with the Public Limited Companies Act and the Act

9. For sub-committees Nomination and Remuneration Committee Will consider appropriate knowledge Composition of the entire sub-committee And criteria for positions such as Board Skills Matrix, qualifications of independent directors And present to the Board of Directors Consider approving

Risk Management Working Group at the management level

The company recognizes the importance of developing a systematic risk management system within the organization. Which is one of the important tools of the management of the company The Risk Management Working Group will support, based on the principles of good corporate governance, linked to the vision, mission and goals of the organization. And providing a framework for enterprise risk management according to the COSO Enterprise Risk Management Framework (COSO ERM) as well as promoting and supporting risk management throughout the organization And instill them into a part of the company's culture so that the stakeholders of the organization can reasonably believe that the company's strategic operations Geared towards achieving organizational objectives and goals efficiently and effectively

On December 18, 2018, the Company appointed a Risk Management Working Group at the management level. To monitor and manage risk management and internal control systems throughout the organization for efficiency There are a total of 15 persons consisting of

No.	Name List		Position
1	Dr.Charnkrij	Dejvitak	Chairman of the Risk Management Working Group
2	Miss Surangrat	Jongprosopsap	Vice Chairman of Risk Management Working Group
3	Mrs.Waewta	Natphan	Vice Chairman of Risk Management Working Group
4	Mr.Nuttapong	Sutara	Head of Risk Management Working Group
5	Mrs.Penruedee	Mauwkasam	Deputy Chief of Risk Management Working Group
6	Miss Masarat	Puttipeerawit	Director of Risk Management Working Group
7	Mr.Nopporn	Wihok	Director of Risk Management Working Group
8	Mr.Phiromsook	Sauysom	Director of Risk Management Working Group
9	Mr.Phtipon	Podnugun	Director of Risk Management Working Group
10	Miss Supap	Nimclub	Director of Risk Management Working Group
11	Mr.Chinachot	Titivarachin	Director of Risk Management Working Group
12	Mr.Suksan	Chairatyeetagan	Director of Risk Management Working Group
13	Mrs.Wannaruk	Chotgamkham	Director of Risk Management Working Group
14	Mr.Phawit	Subanwong	Director of Risk Management Working Group
15	Miss Cherpreme	Wimoltrairat	Secretary of the Risk Management Working Group

Scope of duties and responsibilities

1. Considering and scrutinizing the Company's overall risk management policy and guidelines Which covers important types of risks such as financial risks Investment risk And risks that affect the reputation of the company, etc., to be presented to the Board of Directors Give approval

2. Formulate strategies and guidelines for risk management of the company In accordance with the risk management policy By being able to evaluate, monitor and oversee the risk of the company To the appropriate level

3. Review the risk management report To monitor the significant risks And proceed to ensure that the organization has adequate and appropriate risk management



4. Supervising and monitoring compliance with risk management policies under guidelines and policies approved by the Board of Directors company
5. Determine the risk measurement criteria and risk ceiling that the company will accept.
6. Determine measures to be used to manage risks appropriately to the situation.
7. Review the adequacy of policies and risk management systems. Including the effectiveness of the system and the implementation of the policy
8. Regularly report to the Board of Directors regarding the management, operation and risk status of the company. And various changes Including what needs to be improved to comply with the policies and strategies set
9. Providing advice to various departments within the organization as well as considering appropriate guidelines for correcting various information. Relating to the development of risk management systems
10. Consider the appointment of additional personnel or replacement in the working group related to risk management as appropriate. Including defining roles, duties and responsibilities For the purpose of implementing the objectives
11. Arrange a meeting at least once a quarter
12. Performing any other activities related to risk management assigned by the Board of Directors

Board of Directors Meeting And sub-committees

Board of Directors Has set the meeting schedule in advance throughout the year By holding a meeting once a month on Thursday Last week of the month And may have additional special meeting as appropriate Chairman of the board And the President Be the person to set the meeting agenda and the matter to be included in the meeting agenda By allowing the directors Each person can propose a matter for consideration as a meeting agenda And beneficial to the performance of the directors, such as providing advice and information on laws, rules, regulations and company regulations The company secretary is responsible for sending meeting invitations and agenda. According to the company's regulations 7 days in advance, which is complete and sufficient for the decision of the directors.

At every board meeting In order to comply with good corporate governance policy Directors that are relevant Or having interest in each agenda Will leave the meeting room Or abstain from voting on that agenda The Chairman of the Board of Directors will give an opportunity for each director to propose opinions independently. And to clarify questions in all issues before voting by majority votes or special resolutions And in voting, there must be no less than two-thirds of all directors. Which will be recorded in the minutes of the meeting Including the comments and observations of the directors clearly And will present to the Board of Directors meeting Certified in the next meeting By the certified meeting minutes With documents supporting the meeting agenda Will be stored systematically in electronic form For easy reference.

In 2018, the Company held a meeting of the Board of Directors. To acknowledge the performance of 12 times / year. Sub-committee meetings include the Executive Committee of 12 times / year, the Audit Committee 4 times / year, the Nomination and Remuneration Committee for 2 times / year and Meeting of the Board of Directors without the management attending the meeting 1 time and there may be additional special meetings as necessary.

Proportion of the Board of Directors The whole group that attended the Board of Directors meeting in 2018, more than 80 percent and directors Each person has more than 75% of the participants in the meeting. Details of the meeting schedule are as follows.

The attendance of Directors on the Board of Directors in 2018 are as follows.

No	Name	The Board of Director	The Executive Director	The Audit Committee	The Nomination and Remuneration Committee	meeting Without Management	Attendance of shareholders
1	Mr.Pricha Attavipach	12/12	-	-	-	1/1	1/1
2	Mr.Prapas Chutimavoraphan	11/12	12/12	-	-	1/1	1/1
3	Mr.Somchai Vanavit	10/12	-	4/4	-	1/1	1/1
4	Mr.Chanachai Chutimavoraphan	12/12	12/12	-	-	1/1	1/1
5	Dr.Charnkrij Dejvitak	11/12	10/12	-	-	-	1/1
6	Mr.Narong Chenlapwatanakul	12/12	12/12	-	-	1/1	1/1
7	Mr.Dhanadon Sujiphinyo	10/12	12/12	-	-	1/1	1/1
8	Mr.Chalush Chinthummit	9/12	9/12	-	-	1/1	1/1
9	Mr.Chalermchai Wongwaiwit	9/12	-	3/4	-	1/1	1/1
10	Mr.Anek Khamchum	11/12	-	3/4	2/2	1/1	1/1
11	Mr.Somchai Chinthummit	10/12	-	-	2/2	1/1	-
12	Dr.Supasorn Chayowan	12/12	-	-	2/2	1/1	1/1

Note: - The Company has set a minimum quorum policy at the time that the Board of Directors will see the resolution of the meeting that Must have at least two-thirds of the directors all directors

- In the year 2018, the Company held a meeting of the Nomination and Remuneration Committee 1 time / year, increasing 2 times / year and organizing the Board of Directors meeting without management attend 1 meeting / year

Management

The management structure of the company With the President Is the highest executive Responsible for the administration as assigned by the Board of Directors To maximize the benefits according to the appropriate situation. When there is a significant change in the management structure The President will present to the Board of Directors. For approval by the year 2018 without significant restructuring

List of 4 executives

As of December 31, 2018 The Executive Directors comprises 4 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	Miss Masarat Puttipeerawit	Seles Manager

Scope of authority of the Managing Director

Director Assigned the President As the highest chief of management Is the authority to manage the work of the company. To be in accordance with the objectives, regulations and policies set by the Board of Directors and must manage the company according to the plan or budget approved by the board strictly Honest And carefully safeguard the interests of the company And the best shareholder

Duties and responsibilities of the Managing Director

1. Supervise the operation and / or daily management of the company
2. Perform or perform tasks in accordance with policies, plans and budgets approved by the Board of Directors and / or the Executive Committee of the Company.
3. Being the authorized person of the company To manage the business of the Company in accordance with the objectives, regulations, policies, regulations, regulations, orders, resolutions of the shareholders' meeting and / or resolutions of the Board of Directors and / or the Executive Committee of the Company in all respects.
4. Have the power to delegate power And / or assign other persons to perform specific tasks instead By delegating power And / or such assignments under the jurisdiction of this power of attorney And / or according to the regulations, regulations or orders that the Board of Directors of the Company And / or the company specified
5. Follow up and evaluate the company's performance usually To prevent risks from various factors Whether inside and outside the company
6. Consider entering into a contract about the business of the company And various contracts Which is beneficial to the business of the company Including determining procedures and methods for preparing such contracts To present to the Executive Committee and / or the Board of Directors
7. Have the power to consider and approve spending in normal operations By setting a budget for the company, such as contacting deposit accounts with banks Purchase of raw materials for production in the amount of not more than 1,000,000 baht
8. Consider allocating gratuities, rewards or other rewards Which has been approved by the Board of Directors To employees or employees of the company or any person who acts for the company
9. Have the power to consider hiring employees And appointing as well as transferring, transferring across departments / departments / departments Or retirement from being an employee Determine the wage rate, compensation, bonus as well as welfare About all employees of the company Except executive staff
10. Have the authority to issue orders, regulations, announcements, notes to ensure that the operations are in accordance with the policies and interests of the company and to maintain discipline in the organization
11. Perform other duties As assigned From the Board of Directors from time to time

However, the delegation of authority to other persons deemed appropriate shall not include the authority and / or delegation of authority to approve any transactions that he or the person may have conflicts. Having a conflict of interest or other benefits in conflict with the Company Or subsidiaries according to the rules of the Stock Exchange of Thailand The approval of such transactions must be submitted to the Board of Directors and / or the shareholders' meeting to consider and approve such transactions as prescribed by the Company's regulations or related laws.

Secretary of the board and company secretary

The resolution of the board of director appointed Mrs. Weawta Netphan is company secretary to act as of work for company secretary. According to the regulation in article 89/15 of the Public Company Act 1992 , company secretary have a responsibility as follow;

1. Produce and keep the following documents

(a) Registration of Members of the Board of Directors

(b) Board Meeting invitations, Board Meeting Reports and the Company's Annual Reports.

(c) Shareholders' meeting invitations and shareholders' meeting reports.

2. Keep stakeholder reports that have been submitted by members of the Board of Directors or the Executive committee and send copies of the reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven days from the date that the Company receives the reports.

3. Observes and makes arrangements for the disclosure of information and information technology reports on the areas under his/her responsibility to agencies; directs and supervises in compliance with the law, regulations and policies concerning the company's disclosure of news and information.

4. Contacts and communications with ordinary shareholders to inform them of various shareholders' rights/privileges and company news.

5. Delivers news and information to directors on topics concerning the company's business operations in order to accompany the performance of directors' duties.

6. The secretary is to work with responsibilities, care and integrity. One is to comply with the law, purposes, the Company's regulations, the resolutions of the Board of Directors as well as resolutions of shareholders. One is not to act in any way that significantly obstruct or conflict the Company's interests.

7. Makes arrangements for the provision of advice for newly appointed directors.

8. Other matters as assigned by the company's board of directors.

In case the Company's secretary is retired from the position or cannot work, the Board of Directors is to appoint a new secretary for the Company within ninety days from the date of the previous secretary's retirement or inability to work.

The Remuneration for the Board of Directors and Executives

(A) The Remuneration for the Board of Directors

(1) monetary remuneration

The Annual General Meeting of Shareholders for the year 2018, held on 26 April 2018, set the maximum total amount for the remuneration and bonus of the Board of Directors. Audit Committee And the Executive Committee in 2018 and assigned the Nomination and Remuneration Committee to consider allocating compensation from the maximum amount that shareholders approve as compensation. Monthly compensation Sub-committee meeting fee And bonus as follows

Monthly remuneration of directors

Position	Monthly remuneration 2018	Monthly remuneration 2017
<u>The Board of Directors</u>		
Chairman of the Board	35,000	35,000
Directors	25,000	25,000
<u>Subsidiaries Committee</u>		
Chairman of Audit Committee	10,000	10,000
Audit Committee	5,000	5,000
Executives Directors	20,000	20,000
<u>Meeting allowance</u>		
Meeting of Nomination and Remuneration Committee	5,000 Bath/person/time	5,000 Bath/person/time

Directors Bonus

Directors bonus is based on the Company's performance. This is in accordance with the resolution of the shareholders' meeting. The Board of Directors The Chairman of the Board of Directors resolved to allocate bonuses to each director according to their duties and responsibilities.

The remuneration of each director for the year 2018 is 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 of the Board	420,000	-	-	140,000	560,000
2	Mr.Prapas Chutimaworaphan	Director Executive Chairman	300,000	-	-	100,000	400,000
3	Mr.Somchai Vanavit	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

No.	Name List	Position	Remuneration (Baht)				
			The Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	Bonus	Total
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
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

(1) Board of Directors and Executives Bonuses

Remuneration	2018		2017	
	No. of the Board of Directors and Executives	Amount (Baht)	No. of the Board of Directors and Executives	Amount (Baht)
Salary	18,995,651	10	10	16,452,000
Telephone bill & Car Depreciation	59,467	10	10	108,333
Bonus	11,816,715	10	10	6,684,000
Provident funds	206,018	10	10	172,422
Benefits	32,593	10	10	28,362
Total	31,110,444	10	10	23,445,117

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 Secretary 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

Employee

As of December 31, 2016 and 2018, the Company had the total number of employees excluding the Company's directors and the first four executives from the Managing Director. The following employees can be classified as follows.

No	Department/Section	30 Dec,2018	30 Dec,2017
1	Production and maintenance	52	54
2	QA and R&D	12	12
3	Office	10	13
4	Accounting	7	7
5	Finance	5	5
6	Sales and Marketing	5	9
7	Warehouse	21	22
8	Secretary	5	6
9	Managing Director Office	-	2
Total		117	128

The total compensation of the Employee.

Compensation	2018	2017
Salary	25,872,595	25,808,131
Bonus	12,889,895	13,722,654
Overtimes	3,727,427	3,349,487
Welfare	713,503	850,072
Provident Fund and others.	1,857,571	2,024,500
Total	45,060,991	45,754,844



Auditor's remuneration

In 2018, the Company paid the auditor fees to the AMC Office Company Limited, which is the Company's auditor.

Details are as follows

- ☐ Review of quarterly financial statements And annual financial audit fees In the amount of 710,000 baht
- ☐ Non-Audit Fee, including translation fees for financial statements in English In the amount of 60,000 baht

Total audit fees for the year 2018 total 770,000 baht

In 2017, the Company paid the auditor fees to the AMC Office Company Limited, which is the auditor of the Company. Details are as follows

- ☐ Review of quarterly financial statements And annual financial audit fees In the amount of 680,000 baht
- ☐ Non-Audit Fee, including translation fees for financial statements in English In the amount of 60,000 baht

Total audit fee for the year 2017 is 740,000 baht.

Corporate Governance

In the year 2018, the company received an assessment of the quality of the annual general meeting of shareholders. Organized by the Thai Investors Association, the company has received excellent evaluation results (100 full points continuously for 2 years) and is also evaluated for good corporate governance reports. Organized by the Thai Institute of Directors Association, the Company received very good results (4 stars)

Board of Directors Have confidence that the guidelines in compliance with this good corporate governance principle Will be an important factor that results in the company Becoming a leading company with stable and sustainable growth. The Board of Directors Has reviewed and revised the guidelines in accordance with the principles of good corporate governance In order to be complete Is modern, suitable for the situation and current Divided into 5 categories as follows:-

Section 1 Rights of shareholders

1. Shareholders' Meeting

Board of Directors Recognizing the importance of the rights of shareholders With responsibility for Managing the company with care and prudence, taking into account the rights and equality of the shareholders and maintaining the best interests of the shareholders. By the shareholders of the company Every individual, both as a securities investor Both as a retail investor Institutional investors and company owners should receive the following

1.1 Basic rights

- ☐ Right to trade or transfer shares
- ☐ Rights to attend the shareholders' meeting
- ☐ The right to authorize others to participate Meeting and voting
- ☐ Right to propose additional agenda
- ☐ Right to receive dividends
- ☐ The right to nominate persons as directors
- ☐ Voting rights Or withdrawing directors individually
- ☐ The right to vote for appointment And determine the auditor's remuneration
- ☐ The right to vote on various agenda Of the company
- ☐ The right to vote on various agenda Of the company
- ☐ Rights to express opinions and ask questions In the shareholders' meeting And sending questions in advance
- ☐ The right to receive information and Adequate information of the company And timely
- ☐ Facilitation of shareholders in Exercising the right to attend and vote fully

1.2 Annual General Meeting

Board of Directors The Annual General Meeting of Shareholders shall be held once a year within no more than 4 months from the end of the Company's fiscal year. And if there is an urgent need to propose a special agenda which is a matter that affects or relates to the interests of shareholders or about the conditions or applicable laws that must be approved by shareholders

In the year 2018, the Company held the Annual General Meeting of Shareholders on 26 April 2018 at 09:00-11:00 hrs. At the meeting room, 6th floor, Thai Sugar Terminal Public Company Limited, 90 Soi Siam Silo, Pu Chao Saming Phrai Road Samrong Klang Sub-district Phra Pradaeng District Samut Prakarn Province

1.3 Dissemination of information for the meeting agenda

In the meeting of shareholders The Board of Directors has prepared a meeting invitation letter. By specifying the place, date, time, agenda and matters to be proposed to the meeting With details and reason By clearly specifying the meeting agenda Including the opinion of the Board of Directors on each agenda And send to shareholders and registrars Which is sent by registered mail at least 21 days before the meeting date And published on the company's website www.tmill.co.th And notices the meeting notice in the newspaper for not less than 3 days before the meeting date Which is in accordance with the company's regulations And or as required by law

1.4 Extraordinary General Meeting of Shareholders

The Company will call an extraordinary meeting of shareholders on a case-by-case basis or when shareholders have a total of not less than one-fifth of the total number of shares sold. Or not less than 25 shareholders with a total of not less than one-tenth of the total number of shares sold, will be named together to request the Board of Directors to call an extraordinary meeting of shareholders at any time By specifying the reason for requesting the meeting of shareholders as such In this case, the board of directors must arrange the shareholders' meeting within one month from the date of receipt of the letter from the shareholders.



1.5 Facilitating the exercise of rights for shareholders and institutional investors

The company gave the shareholders an opportunity to propose the meeting agenda. Nominate candidates for election as directors And sending questions in advance at the 2019 Annual General Meeting of Shareholders from 26 October 2018 to 31 December 2018. It appears that no shareholder proposed the agenda and nominated qualified candidates to receive Appointed as a director Including no questions about the meeting in advance.

The company has prepared for the meeting to proceed correctly and appropriately. The company has prepared staff to welcome and provide care. Document inspection staff Providing stamp duty to facilitate the shareholders who give / receive proxy Arranging snacks to certify shareholders waiting to attend the meeting Registration and vote counting by using the barcode system. Shareholders can register to attend the meeting 2 hours in advance of the meeting. And have prepared ballots for the shareholders in full according to the agenda.

1.6 Proxy

In the event that shareholders who are unable to attend the meeting by themselves, the Company has prepared proxy forms that are easy to fill in information that shareholders can choose for themselves. Or use alternatives by nominating independent directors or other persons for proxy of shareholders By using a proxy form which the company Delivered to the meeting invitation letter In addition, shareholders can download proxy forms via the company's website. Can be another way too For shareholders who are Institutional investors or shareholders who are foreign investors and appointing a custodian in Thailand to be the custodian and stockholder To make registration on the meeting day more convenient and faster

2. Operation on the day of the shareholders' meeting

The Board of Directors of the Company Management Team Company Secretary Auditor attended the meeting to answer shareholders' questions. With the Chairman of the Board of Directors being the chairman of the meeting

The Chairman assigned the Company Secretary Clarify the number of shareholders who come in person and by proxy. And clarify to shareholders about the rights under the regulations Meeting Agenda How to ask or comment Voting method using separate ballots for each agenda Announcement of vote counting results

The company has complied with the regulations of the company. In strict voting And there are no additional agenda items as specified in the invitation to the shareholders' meeting

3. Preparation of the minutes And disclosure of resolutions of the shareholders' meeting

The company has informed the resolution of the shareholders' meeting to the Stock Exchange of Thailand. And held a record of the shareholders' meeting every time With accurate and complete meeting content including details of directors, executives, secretaries and auditors attending the meeting Report on all agenda items and questions, answers to inquiries And important comments So that shareholders can check the information

The company Informed the minutes of the meeting to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting Including the company Have prepared a general meeting report Shareholders published on the Company's website So that shareholders and relevant parties can check And submit the annual report with a copy of the balance sheet and profit and loss account that the auditor has audited and approved by the shareholders' meeting Together with a copy of the minutes of the shareholders meeting relating to the approval of the balance sheet Profit allocation and dividend payment to the public company registrar Including the company Have prepared the minutes of the Annual General Meeting of Shareholders, published on the Company's website www.tmill.co.th

The company has prepared a voting card for Shareholders complete all agenda For the agenda regarding the appointment of directors, shareholders are allowed to exercise their rights to consider appointing individual shareholders. By assigning one share to one vote And the vote to be made openly

The Chairman controls the meeting and gives shareholders the opportunity to express their opinions. And adequate and appropriate questions before voting on that agenda Arrange to have a ballot card by handing out ballots to shareholders. When the shareholders have voted Provide vote counting and announce the result of vote counting to the shareholders for acknowledgment and Opportunity for shareholders to apply for the counting of observations And confirm the accuracy of votes in various agenda

Which is open and accurate, which the company has collected the voting cards as evidence for later examination Including the resolution of the meeting, both the number of votes agreed, disagreed and abstained in each agenda As well as recording questions, answering questions and expressing opinions of the meeting It also provides video recording of the meeting in a video format. Which brought the video recording tape to be published on YouTube

In the year 2018, the Company received the assessment of the quality of the Annual General Meeting of Shareholders for the year 2018 at the score of 100 points from 100 points in the "Excellent" level continuously for 2 consecutive years from the quality assessment program of the meeting. Shareholder (Annual General Meeting: AGM) of the association promoting Thai investors

Assessment results for 2017 and 2018

บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)				
ยินดีต้อนรับคุณ คุณแม่ของพี่ พี่น้องได้รู้กัน เข้าสู่ระบบ				
แบบ AGM Checklist ปี 2561 รอบปกติ				
ส่วนของบริษัทจดทะเบียน				
100.00 คะแนน				
Section/ การตอบ	A	B	C	D
คะแนนเต็ม	45	45	10	0
คะแนนที่ได้	45	45	10	0



2018	2017
100 คะแนน	100 คะแนน

Section 2: Treatment of shareholders Equally

Creating equality for all shareholders, all groups, whether they are major shareholders Minority shareholders Executive shareholder Institutional investors or foreign shareholders Is a matter that the company considers and tries to create a tool that truly helps equality Especially with minority shareholders such as

1. The right to vote at the meeting is in accordance with the number of shares that the shareholder has, with one share having the right equal to one vote.
2. For the shareholders' meeting The company has prepared a proxy form, which the shareholder has determined the direction of voting according to the form prescribed by the Ministry of Commerce and has been sent along with the notice of the shareholders' meeting. Can also appoint an independent director of the company Which will specify the name of the said director in the invitation letter In addition, the company Also gave the right to the shareholders attending the meeting after the meeting had started and had the right to vote for the agenda being considered And have not yet voted Which is counted as a quorum from the agenda that has been attended and voted onwards Unless the shareholders' meeting has an opinion otherwise
3. The company has a policy to not add agenda in the meeting. The shareholders who are executives do not inform other shareholders in advance. For the shareholders to have an opportunity to study the information of the meeting agenda before voting
4. In the agenda for the election of directors, the method of selection of directors is used individually.
5. The company will allow the shareholders who have a minimum shareholding proportion of not less than 0.05 percent of the total paid-up shares of the company for at least 12 months. Annual stock Including nominating qualified candidates to be directors by providing a period of 3 months from October until December of that year Which has

been announced through the channels of the stock exchange and on the company website That shows clear and transparent procedures and practices

6. Board of Directors Has set up measures to prevent the use of insider trading (related information) of related persons, which means the board of directors, the top executives of the company and employees in the departments that are related to the information (Including spouses and underage children of such persons) as follows

6.1 Prohibited persons involved in trading the Company's securities within 30 days (1 month) before disclosing quarterly financial statements and annual financial statements and within 24 hours after the disclosure of such financial statements (Blackout Period)

6.2 In the event that any information is known Which has not been disclosed which may affect the price of the company's securities, must not trade the company's securities until the 24-hour period has elapsed since all such information has been disclosed to the public Including the prohibition of executives or agencies that have been aware of internal information to disclose internal information to outsiders or persons who do not have relevant duties in order to prevent misuse of internal information

6.3 In the case that the directors and executives, including spouses and underage children When there is a change in the number of shares held, the report of the change must be reported according to Section 59 of the Securities and Exchange Act, BE 2533, within 3 working days from the date of purchase, sale, transfer or transfer.

6.4 The Company requires directors and executives to report their securities holding at the Board of Directors' meeting every time.

6.5 The company requires directors and senior executives to report the trading of the company's securities. To the board at least 1 day in advance

7. The company is aware of the importance of dealing with conflicts of interest of related parties, which means the Board of Directors, executives and employees are prudent, fair and transparent. The Board of Directors has established various policies and guidelines. In regard to conflicts of interest as follows

7.1 requires that directors and high-level executives must report their own interests and related persons Which is a vested interest in the management of the business of the company When becoming a director or senior executive for the first time And report every time there is a change of interest information Including reports every year-end The company secretary must send a copy of the report on such interest to Chairman of the board And the Chairman of the Audit Committee within 7 working days from the date the company received the report In order to comply with the Securities and Exchange Act BE 2535 and to use such information to investigate and prevent conflicts of interest

7.2 There is a clear disclosure of shareholding structure in joint venture companies that have mutual control power, including shareholders with power. So that shareholders are confident that the company has a clear and transparent shareholding structure without cross shareholding with major shareholders Therefore does not cause conflict of interest to any party

7.3 In the Board of Directors meeting If any director has a vested interest in the matter being considered Directors who have a stake must not participate in the decision. Which may not attend the meeting Or abstain from voting so that the Board of Directors' decision is fair For the benefit of shareholders truly

Section 3 Role of Stakeholders

Board of Directors Realize and give importance In the care and treatment of the rights of all stakeholders Both internal stakeholders are personnel of the company (directors, executives and employees) and external stakeholders such as competitors, creditors, government agencies and other agencies. associated Whether it is rights imposed by law or by mutual agreement Including shared responsibility for the economy, society and the environment In order to help build the competitiveness and good business operations for the company Firmly and sustainably As well as creating a good relationship and cooperation between the company and the stakeholders

Shareholders / Investors The Company gives importance to all shareholders equally. And taking into account the long-term business value creation For the benefit of shareholders By focusing on generating profits from operations and sharing profit (dividends) fairly while creating confidence in investments and increasing the credibility of the company by adhering to the operations based on the principles of governance Good business

Customers / Consumers The Company places importance on sustainable business operations. Therefore strive to develop products and services better Including respecting compliance with laws and trade ethics strictly Not taking any action which is exploiting the consumer Under consumer protection law And anti-monopoly laws The company has set up a system that is standard and reliable for commercial transactions with customers. Pay attention to both before and after sales service

Business partners The Company gives importance to business partners who are considered as important stakeholders in driving the business together. The Company adheres to the code of business conduct with business partners, contract parties, and treats trading partners on an equitable basis. Fair trade and transparent operations Coordinate the company's benefits And parties with fairness, transparency and accountability

Competitors The Company adheres to fair competition. By adhering to the principles of transparent business practices and promoting free trade. The company determines to be a policy and good practice in fair competition. Do not seek unprofitable benefits from the competition Not seeking confidential information of competitors by dishonest means Including not using false messages to destroy the reputation of competitors Throughout the past years until the present year, the company has never had any disputes. In matters relating to business competitors

Creditors The company respects and complies with agreements with trade creditors. And strictly financial institutions By complying with the requirements And mutual financial conditions Disclose accurate and true information Including not concealing information or facts that may cause damage to creditors Unable to comply with the obligations in the contract In order to find solutions to such problems together Throughout the past years until the present year, the Company has never had a default / breach of contract or any dispute with creditors.

Employees The company places importance on the development and promotion of personnel quality. Because employees are considered the most important resource of the organization. The Board of Directors therefore has established a policy and guidelines for managing human resources to be an international standard. Provide a system-level process Since the recruitment and selection process Human resource development Employee performance evaluation Promotion Fair compensation and welfare for all levels of employees On the basis of assessing performance according to individual KPI and providing care for employees in various areas with the objective to promote a happy and safe work and raise the quality of life of employees

Society, Community and Environment The Company focuses on operating business with responsibility to the economy, society and the environment, operating and complying with relevant rules, regulations and laws. By using ethics and morality In business As well as conducting business with transparency, fairness, equality and not taking advantage of society. Community and environment And all stakeholders And do not do any Contrary or illegal In addition, the company Has continuously communicated and trained personnel development In order to have a better understanding of social responsibility As well as instilling environmental awareness in the same direction

Stakeholder contact channels Any interested person wishes to contact the Board of Directors directly. Without passing the management of the company To express opinions About business operations By sending it directly to the audit committee of the company as follows

- Send by mail: Mr. Somchai Vanavit

Chairman of the Audit Committee

TS Flour Mill Public Company Limited

90/9 Moo 1 Soi Siam Silo, Pu Chao Saming Phrai Road

Samrong Klang Sub-district Phra Pradaeng District Samut Prakan Province 10130

- Send via e-mail: vanavit@yahoo.com

Note : Stakeholders who report clues or complaints No need to disclose the name in any way. The company will maintain the information of the information providers and various comments. Is confidential and will be replied personally The Audit Committee of the Company will examine the information or facts according to the whistleblowers or complaints. And present to the Board of Directors for acknowledgment within 30 days from the date of receiving the information

Section 4 Disclosur And transparency

Board of Directors Giving importance to accurate, complete, adequate and timely disclosure of information, financial reports and general information in accordance with the SEC's regulations And stock exchange As well as important information affecting the stock price of the company Which affects the decision making process of investors and stakeholders of the company For those who are related to the company All have been informed equally. By disseminating information of the company To shareholders And the public through the channels and media of the Stock Exchange of Thailand And the company website at www.tmill.co.th

Board of Directors Recognizing responsibility and striving to ensure strict compliance with laws, regulations and regulations regarding disclosure and transparency

The company publishes information according to the criteria Through the channels of the SET Annual Registration Statement (Form 56-1) and Annual Report (Form 56-2) and also disseminate such information via Company website By regularly updating the information

The Board of Directors reports the result of compliance with the corporate governance policy via the annual information disclosure form (Form 56-1) and the annual report (Form 56-2)

The Board of Directors has provided a report on the responsibility of the Board of Directors to the financial report, which is presented along with the auditor's report and provides the Corporate Governance Report of the Audit Committee in the annual report (Form 56-2)

The Board of Directors has disclosed the name list. Roles and duties of the Board and sub-committees The number of meetings and the number of times each director attended each year through the annual registration statement (Form 56-1) and the annual report (Form 56-2)

Board of Directors Provide a risk management system that is relevant in all aspects Covering risk factors related to the vision, goals, business strategies Financial management, operations, corruption And other operations By considering the opportunities and the severity of the impact Define measures for prevention, correction, supervision and follow-up By the Risk Management Committee Is responsible for assessing risks and presenting risk management plans to the Board of Directors

☐ The company has assigned the company secretary Has duties and responsibilities for investor relations In order to communicate with outsiders, including shareholders, institutional investors General investors, government analysts involved as follows

- ☐ Disclose important information to the public.
- ☐ disseminate information to the public thoroughly

Inform the case of rumors or news

Promoting disclosure that does not have reasonable grounds

☐ Trading of securities of listed companies By using internal information Can be accurate, adequate, timely, equal, transparent and fair

☐ Actions when trading securities of a listed company are different from the normal market conditions By providing a channel to facilitate contact as follows

Phone: 02-017-9999 ext. 200

Fax: 02-017-9999 ext. 111, 222

Email: waewta@tmill.co.th

Website: www.tmill.co.th

The company has assigned the person who has the power to coordinate Information disclosure with the Stock Exchange of Thailand (Contact Person) as follows

☐ Disclosure of information according to the event, including acquisition / disposition Which assets Connected transaction Set the date of the shareholders' meeting Change of directors and auditors Relocation of the headquarters Meeting minutes And investment projects Payment / No dividend payment By the Managing Director

☐ Disclosure of information in the accounting period, including annual financial statements and quarterly financial statements Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) by the Managing Director

☐ Providing general information for corporate management and mass communication By requiring the Managing Director Is responsible for providing information about corporate management to mass communication

- ☐ Determine the person who is the contact person and other related agencies, including
- ☐ Thailand Securities Depository Company Limited requires the company secretary As a coordinator
- ☐ The Securities and Exchange Commission requires the company secretary As a coordinator As a coordinator

**Report of securities holdings of directors and executives Both direct and indirect**

As of December 31, 2017, the comparison ended at December 31, 2018 is as follows:

No.	List of directors	Position	Number of shares		Number of shares (Reduction) during the year	note
			As of December 31, 2017 Shareholding / Number of shares	As of December 31, 20178 Shareholding / Number of shares		
1.	Mr.Pricha Attavipach*	Chairman of the Board	413,527	484,117	70,590	- exercising conversion rights 90 shares - Purchase additional shares of 70,500 shares
2.	Mr.Prapas Chutimaworaphan (Including spouse)	Director Executive Chairman	901,893	1,886,488	984,595	- exercising conversion rights 200,300 shares - Purchase additional 1,686,188 shares
3.	Mr.Somchai Vanavit*	Chairman of Audit Committee	-	-	-	-
4.	Mr.Chanachai Chutimaworaphan	Director Executive Director	165,120	192,640	27,520	- exercised the right to convert 27,520 shares
5.	Dr.Charnkrij Dejvitak (Including mothers and spouses)	Director Executive Vice Chairman	2,002,200	2,002,400	200	- exercised the right to convert 200 shares
6.	Mr.Dhanadon (Including spouse)	Director Executive Director	12,035	12,291	256	- exercised the right to convert 256 shares
7.	Mr.Narong Chenlapwatanakul	Director Executive Director	-	-	-	-
8.	Mr.Chalush Chinthummit	Director Executive Director	-	-	-	-
9.	Mr.Anek Khamchum*	Audit Committee	-	-	-	-
10.	Mr.Chalermchai Wongwaiwit*	Audit Committee	-	-	-	-
11.	Mr.Somchai Chinthummit (Including underage children)	Director Nomination and Remuneration Committee	88,366	103,093	14,727	-exercised the right to convert 14,727 shares
12.	Dr.Supasorn Chayowan	Director Nomination and Remuneration Committee	-	-	-	-
13.	Miss Surangrat Jongprosopsap	Assistant Factory Director	-	-	-	-
14.	Mrs.Waewta Natphan	Assistant Finance & Accounting Director / Company Secretary	-	-	-	-
15.	Miss Masarat Puttipeerawit	Seles Manager	-	-	-	-

Note 1 * Independent Director

2. Mr. Prapas Chutimaworaphan, 1,884,400 shares

Mrs. Sumitra Chutimaworaphan (wife), 2,088 shares

3. Mr. Chankrit Dejvitak, 1,000 shares

Mrs. Arunee Dejvitak (mother) 2,000,000 share

Mrs. Yaowanuch Dejvitak (wife), 1,400 shares

4. Mr. Thanadon Suchipinyo, 10,496 shares

Mrs. Yaowalak Chutima Woraphant (wife), 1,795 shares

5. Mr. Somchai Chinthammit, 33,093 shares

Nathamon Chinthammit (son of underage age), 70,000 shares

Investor Relations

The company has assigned the company secretary There are duties and responsibilities regarding investor relations in communication. And disclose accurate, complete and timely information to investors, analysts, media and other stakeholders Equally and fairly Through various media such as publishing documents, newspapers, radio, television, organizing meetings and press releases Including information dissemination on the website, email, etc.

Investor Relations : T S Flour Mill Public Company Limited

90/9 Soi Siam Silo, Pu Chao Saming Phrai Road Samrong Klang Sub-district

Phra Pradaeng District Samut Prakan Province 10130

Phone: 02-017-9999 ext. 200 (Company Secretary)

Fax: 02-017-9999

Website: www.tmill.co.th

Email: weawta@tmill.co.th

The Company encourages investor relations officers to attend seminars that are beneficial to the performance of their duties regularly. In 2018, the Investor Relations Officer attended seminars in various courses. Organized by the Investor Relations Section Corporate Governance Development Department for Capital Market The Stock Exchange of Thailand



Investor Relations Activities

Activities Listed Companies Meet Investors "Opportunity Day" organized by the Stock Exchange of Thailand With the objective To clarify information about the business and operations of the company For securities analysts, investors, media and interested parties The Stock Exchange of Thailand has organized activities during the period after the announcement of the financial statements every quarter. In the year 2018, the company has scheduled to meet investors as follows.

No.	Quarter	Date
1.	Quarter 4/2017	March 20, 2018
2.	Quarter 1/2018	June 1, 2018
3.	Quarter 2/2018	September 3, 2018
4.	Quarter 3/2018	November 23, 2018

The company has regularly participated in this activity. As well as disclosing the information that shareholders and investors will be able to watch on the Company's website (www.tmill.co.th) and the website of the Stock Exchange of Thailand.



Also in the year 2018, the company also participated in the Roadshow activity, which is one of the marketing communication strategies that the company Regularly participate regularly



Activity "mai FORUM 2018"

Dr. Charnkrit Dejvitak, Vice Chairman and Managing Director Bring quality products and services to show their potential in the event "mai FORUM 2018, Department of Energy, 5th mai people" on 1 July 2018 at Centara Grand at Central World. Organized by the Market for Alternative Investment (maiA) together with the Association of Listed Companies in the Market for Alternative Investment (maiA) under the 3S concept: SMEs SE Startup to develop, innovate

Objective: To disseminate the information of listed companies in the MAI to investors. Securities analysts, media and interested people Get information of various companies As well as knowing the policies, guidelines and past performance of that company In the event, there are activities related to investment, such as the presentation of information booths. And products of listed companies Investment seminars, Opportunity Day activities etc. which have been well received by investors. Securities analysts, shareholders and interested parties



□ Information dissemination activities through other channels. The company has published information about the company introduction. Providing operational results As well as an interview with the media during the period of news that has a relationship and has an impact on the company for shareholders, investors, all stakeholders And those interested Get to know the company information Continuously through various channels such as newspapers, television broadcasts, radio programs, guest speakers in various dialogues etc.

Section 5 Responsibilities of the Board

Board of Directors Recognizing the importance of the role of the Board of Directors in formulating policies And the direction of the operation of the company in various aspects, monitoring the work of the management And showing responsibility according to duty (Accountability) of the Board of Directors towards the Company and shareholders Board of Directors Being a leader with vision, knowledge, ability and experience in various fields appropriately and honestly And is independent in making decisions for the best interest of the company And overall shareholders

Elements that allow the board to be able to perform the complete function

The management structure of the company Consisting of the Board of Directors And various sub-committees, including

1. Board of Directors
2. Executive Committee
3. Audit Committee
4. Nomination and Remuneration Committee

Board of Directors Provide the number of directors that are appropriate to the size of the business and the business of the company At present, there are 12 directors, who are 1 executive director and 8 non-executive directors. 8 directors are 4 independent directors.

The company has a balance of non-executive directors. The company has a total of 12 directors. Details are as follows.

Status	Committee Executive	Committee Non-executive	Audit Committee	Total
Directors who are representatives from shareholders	1	7	-	8
Independent Director	-	1	3	4
Total	1	8	3	12

The Company has 3 independent directors who are Audit Committee members, representing 25% of the total Board of Directors. And there are 8 non-executive directors, representing 66.67 percent of the total board of directors Therefore, the company There are a total of 8 non-executive directors, representing 66.67 percent of the total board of directors. The company has appointed a director. By not allowing any person or group to have the power to make decisions, only one person or group To ensure effective management and create a counterbalance mechanism In addition, the company There is a clear management structure as shown in the management structure. Which has a clear division of command Decentralization



in management and decision making in various departments within the company as appropriate In order not to allow the decision-making power and management to be at any one individual

1. Board of Directors Consisting of not less than half of the directors who are residents of Thailand And the directors may or may not be shareholders of the company

2. The Board of Directors Must have at least 1 in 3 independent directors of the entire board And the number of not less than 3 persons, which the independent director holds not more than one percent of the issued and paid-up capital of the company Related companies, including shares held by related persons By having qualifications according to the Notification of the Capital Market Supervisory Board No. Tor Chor.28/2551 Re: Application for Permission and Permission to Offer Newly Issued Shares, dated 15 December 2008

3. At every annual general meeting of shareholders The directors shall retire from office by 1 in 3 of the number of directors at that time. If the number of directors cannot be divided into exactly three parts To be issued by the number nearest to 1 in 3, the directors who must retire in the first and second year after the registration of the company To draw lots of people who will leave As for the next year, the director who is in the position for the longest time is the person who leaves the position. According to that agenda, may be chosen to return to the position again.

4. The shareholders' meeting shall appoint the directors. By using a majority vote in accordance with the following rules and methods

4.1 One shareholder With votes equal to one share per one vote

4.2 Each shareholder will use the existing votes according to the total number of shares held. One person election Or many people as directors But cannot divide the votes for any person

4.3 The person receiving the highest number of votes in descending order shall be elected as a director equal to the number of directors to be elected or elected at that time. In the event that the persons elected in the next order have equal votes, exceeding the number of directors to be elected The chairman of the meeting shall have a casting vote.

5. In the event that the position of the director is vacant due to reasons other than the expiration of the term To the Board of Directors Select the person who has the qualifications and does not have the prohibited characteristics under the law on public limited company to be a director in the next board meeting. Unless the term of the director is less than two months The person who is considered to be the director will be in the position of director only for the remaining term of the director he enters. The resolution of the Board of Directors shall consist of votes of not less than three-fourths of the remaining directors.

6. The board of directors shall select one director as chairman. In the event that the Board of Directors deems it appropriate to select one or more persons to be the Vice Chairman of the Board The Vice Chairman has duties according to the regulations and as assigned by the Chairman.

7. The shareholders' meeting may vote for any director to vacate office before the expiration of the term. With votes Not less than three-fourths of the total number of shareholders attending the meeting and having voting rights And having a total of not less than half of the shares held by the shareholders attending the meeting and having voting rights

8. Positions in other companies: Board of Directors Realizing the importance of performing duties as a director And top executives of the company By considering the performance of directors who hold many positions carefully To ensure that the directors give time to perform their duties in the company Sufficiently Therefore has a policy to determine the number of



companies that directors and managing directors can hold positions in other companies in accordance with good practices According to the principles of corporate governance of regulators such as the Stock Exchange of Thailand as follows

- ☐ Holding the position of director at other companies of the company director, each director should be a director.

In no more than 5 listed companies

- ☐ Positions in other companies of the Managing Director Board of Directors There are guidelines to comply with the Public Limited Companies Act BE 2535, including announcements, regulations, regulations or rules of other relevant regulatory agencies.

- ☐ Executive Directors Able to serve as a director in not more than 2 other listed companies

9. The Board of Directors selects the Chairman of the Board and the Chairman of the Board must be an independent director.

10. Board of Directors Define the properties of "Independent Directors" shall be in accordance with the requirements of the Capital Market Supervisory Board regarding the qualifications of the Audit Committee as follows:

1. Holding shares not more than 1% of the total number of shares with voting rights of the company, parent company, subsidiary company, associate company, major shareholder or controlling person of the company Which shall also include the shareholding of the related persons of such independent director

2. Not being or used to be a director who is involved in the management of work, employees, consultants who receive regular salary Or controlling person of the company, parent company, subsidiary company, associated company, same-level subsidiary Major shareholder or controlling person of the company Except that such person has been terminated for not less than 2 years. Such prohibited characteristics do not include the case that the independent director used to be a government official Or consultant Of government agencies which are major shareholders Or the controlling person of the company

3. Not a person with a blood relationship Or by legal registration In a manner that is the father, mother, spouse, sibling and child, including spouse of the children of the executive, the major shareholder Controlling person Or a person who will be offered as an executive or authority Control of the company or subsidiary

4. Not having or having a business relationship with the company, parent company, subsidiary company, associate company, major shareholder or controlling person of the company in a manner that may hinder his independent judgment Including not being or having been a significant shareholder Or the controlling person of Those who have business relationships with the company, parent company, subsidiaries, associates, major shareholders Or the controlling person of the company Unless it has been terminated for not less than 2 years

5. Not being or having been an auditor of the company, parent company, subsidiary company, associate company, major shareholder Or the controlling person of the company and not a significant shareholder Controlling person Or partner of the audit office Which has the auditor of the company, the parent company, subsidiary company, associate company, major shareholder Or the controlling person of the company under Unless it has been terminated for not less than 2 years

6. Not being or having been a professional service provider Which includes providing services as a legal advisor or financial advisor Which received a service fee of more than 2 million baht per year from the company, parent company, subsidiary company, associated company, major shareholder Or the controlling person of the company And not

being a significant shareholder Controlling person Or a partner of that professional service provider Unless it has been terminated for not less than 2 years

7. Not being a director appointed as a representative of the company's directors Major shareholder or shareholders who are related to major shareholders

8. Not operating in a business that has the same conditions and is a significant competition with the business of the company or subsidiary or is not a significant partner in the partnership Or being a director who is involved in the management of employees, employees, consultants who receive regular salary Or holding more than 1% of the total voting rights of other companies Which operates With condition The same and is a significant competition with the business of the company or subsidiary

9. There is no other characteristic that makes him unable to give independent opinions about the operations of the company.

Independent directors who are qualified under 1 to 9 may be assigned by the Board of Directors to make decisions on the operation of the company, the parent company, subsidiaries, associates, subsidiaries, the same company. Major shareholder or controlling person of the company By having a decision in the form of a collective decision

In the event that the person appointed by the company to be an independent director is a person who has or has had a business relationship or professional service in excess of the value specified in Article 4 or Article 6. If it is deemed that the appointment of such person has no effect on the performance of duties and independent opinions And the company has disclosed the following information

In the notice of the meeting of shareholders in the agenda to consider the appointment of such independent directors

(A) the nature of business relationships or professional services That makes such person qualified

Does not meet the criteria

(B) Reason and necessity that remains or appoints such person as an independent director

(C) Opinion of the Board of Directors in proposing to appoint such person as an independent director

10. Having full qualifications and no prohibited characteristics as per Public Limited Company Act and the Securities and Exchange Act of Thailand Including having no characteristics that show the lack of properness to be trusted to manage the business

Authority of the Board of Directors

To be in accordance with the power policy reserved for the directors of the company and by law, the company's regulations Board of Directors and resolutions of the shareholders' meeting Which includes defining and reviewing the strategic vision at least every 5 years and approving operations Master plan for operation Risk management policy Budget plan and annual business plan Determining the desired goals of the performance, monitoring and evaluating the performance to be in accordance with the plan.

1. Approve vision, strategy, short-term business plan, long-term and important policies such as good corporate governance policy Anti-corruption policy, etc.

2. Approve financial criteria, investment and investment direction of the company Including financial goals, plans and annual budgets

3. Approve the request for the purchase of employment in excess of the approval limit of the President.
4. Approve important operations of the company Under legal requirements Objective frame Company regulations And the resolution of the shareholders' meeting Including monitoring the management to follow the policies and plans with efficiency and effectiveness
5. Approve the transaction in accordance with the Securities and Exchange Act. Including related rules such as connected transactions Acquisition or disposition of assets
6. Approve the payment of interim dividends to shareholders. And the annual compensation adjustment of employees
7. Approve to take positions in other organizations of the President.

Role of the Board of Directors

For the company Can enhance knowledge and strength in good corporate governance effectively The Board of Directors therefore plays an important role in proactive as follows.

1. Determine the vision, direction / mission and strategy of the company That supports sustainable growth in terms of economy, society, environment, by sharing opinions fully, giving priority to seeking useful information for determining such directions Including considering the potential risks In order to ensure that the executives will be able to apply the vision, directions and strategies established to be effective
2. Review and approve important strategies and policies at least every 5 years, including objectives Financial goals And various plans of the company as well as monitoring the management to comply with the plan In accordance with the direction and strategy of the organization regularly
3. Formulate a risk management policy to provide an assessment of important risk factors that may occur and set the guidelines for managing such risks thoroughly.
4. Provide an accounting system Reliable financial reporting and auditing Including supervising the process for evaluating the appropriateness of internal control and internal audit As well as efficient and effective risk management systems And disclosed in the annual report
5. Monitor and manage conflicts of interest that may occur. Including related transactions Giving importance to considering important transactions that are important By focusing on maximizing benefits for shareholders and stakeholders By creating a policy on conflict of interest
6. Provide the remuneration policy for the Chief Executive Officer that is appropriate to create motivation both short-term and long-term.
7. Assess the performance of the Board of Directors And sub-committees Annually To be used as a basis for determining compensation In accordance with performance
8. Provide a plan for succession of the highest executive positions In order to be prepared in the event that the top management is unable to perform the work
9. Provide a channel for communicating with each group of shareholders appropriately and evaluating the disclosure of information to ensure accuracy, clarity, transparency, reliability and high standards.
10. Being a leader and being a role model for good performance in line with the good corporate governance guidelines and corporate social responsibility guidelines.

11. Encourage the company to operate to combat corruption in all forms. For the maximum benefit of the business of the company and the stakeholders

12. To prepare a code of business conduct manual for directors, executives and employees.

13. The business ethics handbook for directors, executives and employees is defined as regulations that directors, executives and employees must sign, acknowledge and follow.

14. Promote compliance with this Code of Business Conduct to directors, executives, employees and outsiders by

14.1 Give out the Code of Business Conduct to all directors, executives and employees.

14.2 Announcement of the Code of Business Conduct on the Company's website

Term of office of the director

The company has determined the term of the directors of the company. To be in accordance with the Public Company Act BE 2535 (1992) by which directors and independent directors shall hold office for a term of 3 years and the directors who are retired by rotation can be re-elected In this regard, each independent director must hold office for a period of not more than 9 years

The Conference Board

1. In the year 2018, the Company held a meeting of the Board of Directors To acknowledge the performance of 12 times / year. Sub-committee meetings include the Executive Committee of 12 times / year, the Audit Committee 4 times / year, the Nomination and Remuneration Committee for 2 times / year and Meeting of the Board of Directors without the management attending the meeting 1 time / year and may have additional special meetings as necessary. The schedule and meeting agenda will be clearly set in advance.

Information for attending the board meeting in 2018 is as follows:

No.	list	Board company	Executive Committee	Audit Committee	Nomination Committee And consider compensation	meeting Without Management	meeting Ordinary shareholders annual
1	Mr.Pricha Attavipach	12/12	-	-	-	1/1	1/1
2	Mr.Prapas Chutimavoraphan	11/12	12/12	-	-	1/1	1/1
3	Mr.Somchai Vanavit	10/12	-	4/4	-	1/1	1/1
4	Mr.Chanachai Chutimavoraphan	12/12	12/12	-	-	1/1	1/1
5	Dr.Charnkrij Dejvitak	11/12	10/12	-	-	-	1/1
6	Mr.Narong Chenlapwatanakul	12/12	12/12	-	-	1/1	1/1
7	Mr.Dhanadon Sujiphinyo	10/12	12/12	-	-	1/1	1/1
8	Mr.Chalush Chinthummit	9/12	9/12	-	-	1/1	1/1
9	Mr.Chalermchai Wongwaiwit	9/12	-	3/4	-	1/1	1/1
10	Mr.Anek Khamchum	11/12	-	3/4	2/2	1/1	1/1
11	Mr.Somchai Chinthummit	10/12	-	-	2/2	1/1	-
12	Dr.Supasorn Chayowan	12/12	-	-	2/2	1/1	1/1

Note: - The Company has set a minimum quorum policy at the time that the Board of Directors will see the resolution of the meeting that Must have at least two-thirds of the directors All directors

- In the year 2018, the Company held a meeting of the Nomination and Remuneration Committee 1 time / year, increasing 2 times / year and organizing the Board of Directors meeting without management

Attend 1 meeting / year



2. Non-executive directors have meetings among themselves. To discuss various problems About the management that is in the interest of the management without attending the meeting At least 1 time per year

3. The Board of Directors is responsible for attending the Board of Directors meeting not less than 80% of the total meeting of the Board in the year.

4. In the meeting, the Board of Directors can vote when there is a minimum number of directors not less than 2 in 3, therefore it is considered complete.

quorum

5. Every director has a proportion of attendance at the meeting of at least 75 percent of the entire meeting.

6. At the meeting of the Chairman of the Board Chief Executive Officer And company secretary Be the person to set the annual meeting agenda To consider the agenda of the Board of Directors' meeting By allowing each director to propose various matters To be considered as a meeting agenda

7. The company secretary will collect the meeting documents to be sent to the board at least 7 working days before the meeting date. Such documents will be sufficient information for decision making and independent judgment of the Board of Directors.

8. At the meeting of the Board of Directors High-level executives attended the meeting. To provide useful information and acknowledge the policy directly In order to be able to effectively implement Except for certain agenda items that are specific to the Board of Directors or only non-executive directors, in order to be independent in considering various matters Of the board

9. At the end of the meeting The company secretary is responsible for preparing the minutes of the meeting with complete contents, presenting to the chairman of the board to sign and certify the accuracy. By proposing that the meeting endorse the agenda of the previous meeting

10. Meeting of the Board of Directors can express opinions, request amendments to the minutes for the most accurate resolution within 14 working days.

11. The minutes of the meeting which are certified by the meeting will be stored systematically in the form of company confidential documents at the secretariat office. And stored in an electronic document format along with attachments for various meeting agendas For easy reference searching

Data reporting

1. The Board of Directors is responsible for reporting financial information. And general information to shareholders And investors in general, accurate, truthful, transparent and verifiable There are reasonable explanations in terms of policy. Performance Future trends As well as the success and obstacles of the business

2. The Board of Directors understands and supports the implementation of professional standards of the auditor.

3. The Board of Directors has prepared a report showing the responsibilities of the Board of Directors in the preparation and disclosure of the Company's financial reports presented in the annual report. Together with the financial statements And the auditor's report by covering

□ Legal requirements for the Board of Directors Must prepare financial statements To indicate financial status and the performance of the past year that is true And reasonable



□ Responsibilities of the Board of Directors To manage to have accurate and complete accounting information in order to maintain the company's assets And to know the problems and obstacles to prevent corruption Or have abnormal operations

□ Confirm that the company has complied with generally accepted accounting standards. Appropriate accounting policies are applied and practiced regularly. As well as carefully considered the reasonableness of the financial statements of the company

Recruitment of senior executives

Nomination and Remuneration Committee Is responsible for recruiting individuals who are the Company's directors And is qualified, knowledgeable, appropriate Will hold the highest executive position Present to the Board of Directors Consider appointing a managing director Which must be experienced, knowledge, and understanding of the business as well Have a good image Have leadership and behave in accordance with good corporate governance principles As for the recruitment of high-level executives Deputy Managing Director Must be approved by the Board of Directors And significant organizational restructuring Must be approved by the Board of Directors as well

Plan for succession of directors and managing directors

Board of Directors Supervise the preparation of human resource management plans and personnel selection systems that will be responsible for all important management positions at all levels with efficiency. Prepare to create additional training plans for skills and knowledge. Career development planning by the company has established a succession plan for the President, senior manager And middle management to create effective successors And to be able to cope with all situations Both in academic work Management and Leadership

Criteria for Nomination of Directors and Managing Directors

The company has a plan for recruiting directors and managing directors. To be appropriate and transparent in order to ensure that the company has professional directors and managing directors And managed independently from major shareholders Or any other By assigning the Nomination and Remuneration Committee Is the recruiter of suitable persons to be selected By passing the criteria and methods for recruiting and selecting qualified candidates Which the criteria and selection methods depend on the suitability of the situation at that time of the company

Nomination and Remuneration Committee Has a role and duty to recruit suitable persons to serve as directors As well as consider and approve To present to the Board of Directors meeting And propose to the shareholders' meeting for approval

By the person who will be nominated to be the director of the company Must be a person with full qualifications according to Section 68 of the Public Limited Companies Act BE 2535 and according to the Notification of the Capital Market Supervisory Board No. TorJor. On December 15, 2008 and must not be a person who has prohibited characteristics according to the announcement of the Board of Directors SEC regarding the requirements of the management of the issuing company Including being a person without a history, having the final judgment to be bankrupt Not being a person who violates the regulations, regulations, announcements, orders or agreements for registration of securities with the Stock

Exchange of Thailand. As well as being a person who has been considered other factors for the Board to have diversity such as knowledge, expertise, ability, experience related to the business And the benefits to the business of the company, etc.

Nomination and Remuneration Committee Will nominate the managing director And high-level executives who are personnel with knowledge, experience, ability to manage work in related fields To propose to the Board of Directors Is the person who approves the appointment of the person who is nominated to be the managing director And senior management The appointment of directors must be in accordance with the agenda set by the Annual General Meeting every time. Directors must resign at least 1 in 3 positions. If the number of directors cannot be divided into three parts, the number of directors closest to one-third shall be retired. The directors who must retire in the first year And the second year after the registration, the lottery will be considered for whoever will leave. In the subsequent years, the directors who are in the longest position will retire Directors who retire may choose The company can arrange for the disclosure of the history of every committee in the annual report. For the shareholders to be informed by appointing directors through the shareholders' meeting. The Nomination and Remuneration Committee will consider the selection of qualified persons with knowledge, capabilities and relevant experience. Including having complete qualifications in accordance with Section 68 of the Public Limited Companies Act BE 2535 and the Notification of the Securities and Exchange Commission Relevant to propose to the Board of Directors for consideration With regulations that the Board of Directors Must have at least 5 directors using a majority vote in accordance with the following rules and procedures.

Composition and appointment of the committee

At present, the Board of Directors Has determined the composition and criteria for the appointment and removal of directors as follows

1. Board of Directors Consisting of not less than 5 directors, elected by the shareholders' meeting However, not less than half of the total number of directors must have residence in the Kingdom.
2. The company aims to have independent directors. With as much professionalism as possible And must have at least 1 in 3 independent directors of the total number of directors
3. The appointment of directors must be in accordance with the specific agenda. With transparency, clarity, having a history of that person with sufficient details For the benefit of the shareholders' meeting decision
4. Must disclose the history of every committee in the annual report. For the shareholders to acknowledge
5. Have a company secretary Acts to provide legal and regulatory advice Which the Board of Directors must know And perform duties in overseeing the activities of the Board of Directors Including coordinating to comply with the Board's resolution
6. There is a separation of powers and duties of the Chairman. And the executive directors clearly separated
7. The shareholders' meeting is appointed by the majority vote in accordance with the following rules and procedures.
 - (1) Each shareholder has votes equal to the number of shares he holds.
 - (2) Each shareholder must use all existing votes to elect one or several persons as directors.
But can not divide the votes to any number of people



(3) Persons who receive the highest votes in descending order shall be elected as directors equal to the number of directors. Which should be or should be elected at that time, in the event that the persons elected in the next order have equal votes in excess of the amount that should be or will be elected at that time, the chairman of the vote will be the deciding vote

8. At every Annual General Meeting of Shareholders, one-third of the directors shall resign. If the number of directors is not a multiple of three, the number of directors closest to one-third shall apply. The directors who must resign from office in the first year and the second year after registering the company Then use the lottery method to determine who will retire. In the subsequent years, the longest serving member is the person who leaves the position. The retired directors may be re-elected.

9. In addition to vacating office upon the expiration of the term

(1) Death

(2) resign

(3) Lack of qualifications or prohibited characteristics. Section 68 of the Public Limited Companies Act BE 2535

(4) The shareholders' meeting passed a resolution to vacate office.

(5) The court issued an order

10. In the event that the position of the director is vacant due to reasons other than retirement May choose a person who is qualified and has no prohibited characteristics under Section 68 of the Public Limited Company Act BE 2535 to replace in the next board meeting Unless the term of the director is less than two months The person replacing the said director will be in the position of director only for the remaining term of the director whom he replaces. The resolution of the board of directors must consist of votes of not less than three-fourths of the remaining directors.

11. In the event that the director vacates the entire board, the remaining board of directors shall remain in office. To operate the business of the company Continue as much as necessary until a new member enters the office, unless the court orders otherwise In the event that the committee vacates office under the court's order, the committee who vacates office shall arrange a shareholders' meeting to elect a new board. Within one month from the date of retirement By sending a notice of the meeting to shareholders not less than fourteen days before the meeting date And advertise the meeting notice in the newspaper Not less than three days before the meeting date Which must be advertised for a period of three consecutive days

12. The shareholders' meeting may pass a resolution to remove any director from office before the expiration of the term by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and having shares counted. Together not less than half of the shares held by the shareholders attending the meeting and having the right to vote

Orientation for new directors

When a new director enters the new position, the company arranges an orientation for new directors to acknowledge. Business overview Shareholder structure Various committees Organizational Structure Financial status and operating results of the Company Including guidelines for directors of listed companies in the Stock Exchange of Thailand and related laws And delivered important documents to new directors, such as information about the company Corporate Governance Policy Business ethics and ethics Public Limited Companies Act, BE 2535, Securities and Exchange Act, BE 2535 (1992)

The company requires new directors to be trained and receive the Director's Accreditation Program (DAP) from the Thai Institute of Directors Association (IOD) within 6 months from the date of appointment.

Development of directors and senior management

In order to increase the performance of various committees, the Company supports the Board of Directors. And high-level executives attend seminars that are beneficial to their duties Including meeting and exchanging opinions with the Board of Directors And high-level executives of various organizations, both courses organized by the organization that oversees the training of the company's employees And courses organized by government regulators Or independent organizations, such as the Directors' Program of the Thai Institute of Directors Association, which the SEC requires directors of listed companies to be trained At least one course which is Directors Certification Program (DCP), Directors Accreditation Program (DAP) and Audit Committee Program (ACP)

Assessment of the Board's performance

The Company has evaluated the performance of each committee in 2018 as follows: Board of Directors as a whole and sub-committee And individually, including the Executive Committee Audit Committee And the Nomination and Remuneration Committee At least once a year to know the problems and obstacles during the past year And to make the work of the Board more effective As well as to help create and improve the relationship between the board and the management Including guidelines for improvement to comply with good corporate governance principles By using a form from the self-evaluation form of the Board of Stock Exchange of Thailand With evaluation topics such as the board structure Diversity of Directors Nomination of Directors and Appointment of Sub-Committees Development of Directors Knowledge Preparation before entering the meeting Suitability of the meeting The duties of the chairman of the meeting Performance Management Policy Legal compliance Governance Business ethics Internal control system Risk management The duties of the sub-committee The duties of the management department, etc.

The table showing the performance assessment data of each committee in 2018 is as follows:

No.	List	Board of Directors	Sub-committee / individual committee			managing director (CEO)
			Executive Committee	Audit Committee	Nomination Committee And consider compensation	
1	Mr.Pricha Attavipach	✓	-	-	-	-
2	Mr.Prapas Chutimavoraphan	✓	✓	-	-	-
3	Mr.Somchai Vanavit	✓	-	✓	-	-
4	Mr.Chanachai Chutimavoraphan	✓	✓	-	-	-
5	Dr.Charmkrij Dejvitak	✓	✓	-	-	✓
6	Mr.Narong Chenlapwatanakul	✓	✓	-	-	-
7	Mr.Dhanadon Sujiphinyo	✓	✓	-	-	-
8	Mr.Chalush Chinthummit	✓	✓	-	-	-
9	Mr.Chalermchai Wongwaiwit	✓	-	✓	-	-
10	Mr.Anek Khamchum	✓	-	✓	✓	-
11	Mr.Somchai Chinthummit	✓	-	-	✓	-
12	Dr.Supasorn Chayowan	✓	-	-	✓	-

The evaluation of the entire Board of Directors

- Performance assessment by the entire Board of Directors for the year 2018, average score of 96.30%

(2017 has an average score of 96.08%)

Evaluation	score
Structure and qualifications of the board	3.88%
Roles, duties and responsibilities of the Board	3.84%
The Conference Board	3.83%
Duties of directors	3.83%
Relationship with management	3.90%
Self-development of directors and executive development	3.83%

Evaluation of sub-committees individually And individual sub-groups have 3 faculties as follows

1. Executive Committee
2. Audit Committee
3. Nomination and Remuneration Committee

Evaluation results of each sub-committee

- Performance assessment by the entire Board of Directors for the year 2018, an average score of 96.63%

(2017 has an average score of 95.99%)

Evaluation	score
Structure and qualifications of the board	3.85%
Subcommittee meetings	3.87%

Individual evaluation of sub-committee

- Performance assessment by the entire Board of Directors for the year 2018, an average score of 96.63%

(2017 has an average score of 94.13%)

Evaluation	score
Structure and qualifications of the board	3.91%
Board meeting	3.87%
Roles, duties and responsibilities of the Board	3.86%

Evaluation of the Managing Director

Performance evaluation and remuneration for the President Operated by the Nomination and Remuneration Committee And present to the Board of Directors To consider and approve the evaluation process, determined under clear and transparent criteria, reflecting the results of operations with fairness, fairness and appropriateness with duties and responsibilities

Skills, knowledge, experience of the board (Broad Skill Matrix)

Board of Directors There are a total of 12 people with expertise in various fields. Have leadership skills There is a vision and independent judgment in determining the direction of the business and operating according to the company's mission and policy. With effective risk management

The company uses the Skills Matrix system to appoint a committee. By considering various features Of directors who are beneficial to the organization such as experience, knowledge, ability Honesty Including risk and risk management skills Leadership with vision and knowledge of communication technology

No.	List	Broad Skill Matrix								
		Laws	Accounting / Finance / Banking / Audit	engineering	marketing And management	business administration	Food nutrition	com Pewter	condition leadership	Good corporate governance
1	Mr.Pricha Attavipach		✓	✓					✓	✓
2	Mr.Prapas Chutimavoraphan								✓	✓
3	Mr.Somchai Vanavit		✓						✓	✓
4	Mr.Chanachai Chutimavoraphan	✓		✓		✓			✓	✓
5	Dr.Charnkrij Dejvitak					✓			✓	✓
6	Mr.Narong Chenlapwatanakul								✓	✓
7	Mr.Dhanadon Sujiphinyo				✓				✓	✓
8	Mr.Chalush Chinthummit		✓						✓	✓
9	Mr.Chalermchai Wongwaiwit		✓	✓		✓			✓	✓
10	Mr.Anek Khamchum	✓							✓	✓
11	Mr.Somchai Chinthummit							✓	✓	✓
12	Dr.Supasorn Chayowan						✓		✓	✓

Caring for compliance and review

The Board of Directors will ensure that directors, executives and employees strictly follow the best practices of the good corporate governance policy manual. To continuously upgrade and improve the quality of corporate governance of the company To create stability and sustainability for the company Shareholders and all stakeholders

Good Corporate Governance Policy

Corporate Governance Policy

T S Flour Mill Public Company Limited is committed to conducting business to achieve stable and sustainable growth by creating added value for shareholders. And all stakeholders Board of Directors Has focused on compliance with the guidelines of the Stock Exchange of Thailand In order to have a good governance system By the Board of Directors Has established a corporate governance policy and business ethics For directors, executives and employees for everyone to use as a guideline for all stakeholders Which has been announced and communicated to employees for acknowledgment Including publishing on the company's website (www.tmill.co.th)

Directors and executives at all levels of the company Must be a good example in compliance with the policy Defined corporate governance Management is responsible for disseminating knowledge. Create understanding And encouraging employees at all levels to strictly comply with the corporate governance policy and create it as part of the corporate culture in the operation

Internal control policy

The company has a policy for all departments to work systematically. Effective as the objective And the company's goals There are maintenance and use of the property economically and appropriately. Have internal control system Including assessment and risk management that are concise, continuous, effective In order to prevent adverse events that may cause damage to the company and develop the personnel in the unit to have a sense of co-operation in order to perform according to the proper work practices Including regulations And related laws And ready to let the company Assess and monitor work at any time. The company has the following guidelines.

- Determine the duties and responsibilities of executives at all levels to be supervised And check the work system within their departments to be effective And correctly according to the operation regulations With a strong internal control system that can be checked And all departments must prepare a manual to define the operating procedures as the norm for the operation of the work in their care. By complying with the company's quality policy

- Assign each unit to have a risk assessment of the work that is responsible for And find control by reducing the impact or reducing the likelihood of such risks. The company wants employees at all levels to participate in the assessment and control of risks in general. To help prevent potential damage

- Internal auditors are directly responsible for evaluating internal control and monitoring system compliance. And suggesting control measures to various agencies Which is suitable for the situation, environment and risk factors that have changed

Connected Transaction Policy Or the acquisition and disposal of the Company's assets

In the event that the Company and its subsidiaries (The company holds shares, whether directly or indirectly, more than 50 percent of the paid-up capital). There are transactions that are connected transactions or acquisition or disposal of important assets of the company. In accordance with the regulations of the Stock Exchange of Thailand, the Company must comply with the regulations of the Stock Exchange of Thailand. In the event that the company Must seek the approval of the shareholders to enter into a connected transaction or acquisition or disposal Which important assets of the company Must have a vote of not less than three-fourths of the total votes of shareholders or proxies of the shareholders attending the meeting and having the right to vote Without counting the portion of shareholders who have an interest

Conflict of interest policy

The Board of Directors has established a policy on prevention of conflicts of interest on the principle that any decision in conducting business activities, it must be done for the best interest of the company. And should avoid actions that cause conflicts of interest By requiring those who are involved or having interests with the items considered Must notify the company Knowing the relationship or having their own interest in the said transaction And must not participate in the decision making process Including having no authority to approve the transaction

If there is an item that may cause a conflict of interest that occurs that is not normal business operation or in accordance with general trading conditions Must be presented to the Board of Directors for approval By allowing the Audit Committee to carefully consider the appropriateness to present to the Board of Directors' meeting And the shareholders' meeting (As the case may be) Must comply with the rules of the Securities and Exchange Commission and the market Securities of Thailand And will be disclosed in the notes to the financial statements Annual Report (Form 56-2) and Annual Registration Statement (Form 56-1)

Policy to prevent the use of internal information for the benefit of executives

□ The company has a policy and method to supervise directors and executives in using internal information of the company. Which has not yet been disclosed to the public for personal gain Including securities trading as follows

๑ Educating directors, including executives from various departments Regarding the duty to report their securities holdings, spouses and underage children To the Securities and Exchange Commission And the Stock Exchange of Thailand under Section 59 and penalties under Section 275 of the Securities and Exchange Act BE 2535

□ The company requires directors and executives to report changes in securities holdings. To the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act BE 2535 within 3 business days from the date of the transaction And send a copy of this report to the company on the same day as the report submitted to the Securities and Exchange Commission

□ The company requires directors, executives and related workers to receive important insider information. Which affects the price change of securities Must suspend trading of the company's securities Before the financial statement or the internal information is publicly disclosed for 30 days and should wait at least 24 hours after the disclosure to the public Including prohibiting the disclosure of important information to other people

Policy on reporting of interest

The company has determined that the directors Executive directors and executives report their own interests and related persons. When starting a position Or when changing information And review various information Annually according to the criteria and methods of reporting the interests of directors and executives of the company

Safety and Occupational Health Policy and Working Environment

The company adheres to the business philosophy of commerce. And responsible for society and the environment With a commitment to maintain quality, occupational health, safety and Strictly environmental Including management of management And the use of resources in every Appropriately, adequately and effectively For stability Prosperity of the

business Maintain the dignity And the reputation of the company In order for the operation to achieve the stated objectives and goals, the company has set out the following operational guidelines.

- Operate the business in order to obtain quality products that meet the customer agreement with the cooperation of the employees. And contractors that work efficiently Under the management system of quality, occupational health, safety, environment and the ability of the testing laboratory according to international standards Including law Government regulations And the company's requirements That has been strictly agreed with the outside

- Executives and employees must strictly adhere to and comply with laws, policies, regulations and standards regarding quality, safety, occupational health and environment.

- Develop the quality management system throughout the organization to be an international standard with continuous efficient work processes to deliver products that meet quality standards. And excellent service for customers to receive Highest satisfaction by adhering to safety as the heart of operations

- The company will take every action to control and prevent losses in various forms. Due to an accident, fire, injury or illness from work Property lost or damaged Security breach And improper operations and causing various errors As well as maintaining a safe working environment for employees. It is the responsibility of the executives and employees to report accidents. Incidence by following the specified procedure

- Provide a control plan and prevent emergencies in all operating areas Have an emergency management plan And the crisis of the organization To prepare for emergency management That may occur, such as fire, spillage or leakage of chemicals or waste And have prepared for other crises That may cause business interruption and / or deteriorate the reputation and image of the organization

- Providing training for all professional staff at all levels in order to receive adequate and continuous development in occupational health, safety and the environment.

- Provide public relations To create knowledge and understanding and disseminate information to employees As well as those involved In order to know and understand the policies, regulations, procedures and various precautions Quality Safety, health and environment As well as to practice correctly

- The company aims to promote and instill consciousness in quality, safety, health and environment. To be a way of everyday life of employees Without causing harm to health Property and environment

- The company is committed to actively participate in social responsibility in the quality, safety, health and environment in a continuous manner in the use of natural resources for maximum benefits. By recognizing the importance of the environment and safety As well as promoting social activities to protect the environment And improving the quality of life of people in the community according to sustainable development principles

- The Company supports activities for public benefits to society and the environment. By encouraging personnel Every level is important. And participate in public activities that benefit the community As well as promoting public or private organizations with missions that are beneficial to society and the environment

Work safety of employees at all levels It is the most important thing in the work. The company has provided safety, occupational health and work environment management to ensure safety in the operation.

The company has established a safety committee in the workplace. Consisting of senior management And representatives from various departments and departments To act in the presentation of policies and work safety plans Report and follow up the performance according to the plan and goal. Compliance with relevant laws and regulations on safety As

well as develop projects to create and cultivate consciousness and create a culture of safety and occupational health for employees

In the year 2018, the company provided activities for employee safety as follows.

On 26 May 2018, organized Safety & Energy Day activities



Concept

T S Flour Mill Public Company Limited has a policy to promote safety as a center and energy conservation. By requiring employees at all levels Participate in responding to the policy set by the company. In order to reach the goal of joint operations Therefore organizing activities to encourage employees to have safety and energy conservation awareness

Objective

1. To promote safety and energy conservation
2. To let employees know how to reduce accidents
3. To create good consciousness for employees
4. To allow employees to participate in activities to promote safety and energy conservation
5. To transfer knowledge and intentions of executives who value safety and energy conservation

Procedure

1. Organize the Safety & Energy Day meeting by the CSR Working Group
2. Presentation of Safety & Energy Day activities at the Safety Committee meeting (Por.) On budget, details of activities
3. Liaise with Taling Chan Labor Safety Office to rent games and mascots for organizing activities.
4. Public relations in the slogan of safety and energy conservation For use in the year 2019
5. Judging the result of the slogan contest by the Committee of Safety Committee (Por.)
6. Organize activities for employees to participate in such days and times And awarding the winner of the slogan contest

Evaluate activities

1. More than 95 percent of employees participated in the activity
2. More than 90 percent of employees are satisfied with the activities
3. Employees have knowledge and understanding, have skills, awareness of safety and energy conservation.
Can be applied to work effectively

On November 3, 2018, organized fire fighting and evacuation drills for the year 2018



The company has also participated in the Outstanding Establishment of Safety, Occupational Health and Working Environment Project. Organized by the Safety and Occupational Health Promotion Association (Thailand). The company has zero accident accident goals (Zero Accident) with zero accident statistics for the year 2018 as follows.

Schedule of working hours (normal)

Zero Accident Reduction Campaign Activity for the Year 2018

Name of the establishment of TS Flour Mill Public Company Limited

From 1 January 2017 to 31 December 2018

No.	Date	Number of work days per month	hour In work per day	Number of employees per month	hour Work per month
1	1-31/01/61	23	8	126	23,184
2	1-28/02/61	23	8	125	23,000
3	1-31/03/61	27	8	122	26,352
4	1-30/04/61	27	8	122	26,352
5	1-31/05/61	26	8	124	25,792
6	1-30/6/61	26	8	125	26,000
7	1-31/7/61	26	8	122	25,376
8	1-31/8/61	26	8	119	24,752
9	1-30/9/61	26	8	122	25,376
10	1-31/10/61	24	8	123	23,616
11	1-30/11/61	26	8	124	25,792
12	1-31/12/61	24	8	121	23,232
Total working hours (normal)					298,824

Schedule of working hours (overtime)

Zero Accident Reduction Campaign Activity for the Year 2018

No.	Date	Number of work days per month	hour In work per day	Number of employees per month	hour Work per month
1	1-31/01/61	23	8	65	11,960
2	1-28/02/61	23	8	65	11,960
3	1-31/03/61	27	8	65	14,040
4	1-30/04/61	27	8	65	14,040
5	1-31/05/61	26	8	65	13,520
6	1-30/6/61	26	8	65	13,520
7	1-31/7/61	26	8	65	13,520
8	1-31/8/61	26	8	65	13,520
9	1-30/9/61	26	8	65	13,520
10	1-31/10/61	24	8	65	12,480
11	1-30/11/61	26	8	65	13,520
12	1-31/12/61	24	8	65	12,480
Total working hours (normal)					158,080

บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

บันทึกสถิติความปลอดภัยของการปฏิบัติงานของพนักงาน ประจำปี 2561

1. สรุปสถิติการประสบอันตราย

เดือน	จำนวนผู้ประสบอันตราย (คน)	256	256	อุบัติเหตุ	ผู้เสียชีวิต	บาดเจ็บ	ทุพพลภาพ	สูญหาย	ไม่ทราบ
มกราคม	100	-	-	-	-	-	-	-	-
กุมภาพันธ์	120	-	-	-	-	-	-	-	-
มีนาคม	120	-	-	-	-	-	-	-	-
เมษายน	120	-	-	-	-	-	-	-	-
พฤษภาคม	124	-	-	-	-	-	-	-	-
มิถุนายน	100	-	-	-	-	-	-	-	-
กรกฎาคม	120	-	-	-	-	-	-	-	-
สิงหาคม	110	-	-	-	-	-	-	-	-
กันยายน	120	-	-	-	-	-	-	-	-
ตุลาคม	120	-	-	-	-	-	-	-	-
พฤศจิกายน	124	-	-	-	-	-	-	-	-
ธันวาคม	121	-	-	-	-	-	-	-	-
รวม	-	-	-	-	-	-	-	-	-

บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

บันทึกสถิติความปลอดภัยของการปฏิบัติงานของพนักงาน ประจำปี 2561

2. จำนวนผู้ประสบอันตราย โดยแยกตามประเภทของอุบัติเหตุ

ประเภทของอุบัติเหตุ	256	256	อุบัติเหตุ	ผู้เสียชีวิต	บาดเจ็บ	ทุพพลภาพ	สูญหาย	ไม่ทราบ
1. เหยื่อ	-	-	-	-	-	-	-	-
2. เหยื่อ	-	-	-	-	-	-	-	-
3. เหยื่อ	-	-	-	-	-	-	-	-
4. เหยื่อ	-	-	-	-	-	-	-	-
5. เหยื่อ	-	-	-	-	-	-	-	-
6. เหยื่อ	-	-	-	-	-	-	-	-
7. เหยื่อ	-	-	-	-	-	-	-	-
8. เหยื่อ	-	-	-	-	-	-	-	-
9. เหยื่อ	-	-	-	-	-	-	-	-
10. เหยื่อ	-	-	-	-	-	-	-	-
11. เหยื่อ	-	-	-	-	-	-	-	-
12. เหยื่อ	-	-	-	-	-	-	-	-
13. เหยื่อ	-	-	-	-	-	-	-	-
14. เหยื่อ	-	-	-	-	-	-	-	-
15. เหยื่อ	-	-	-	-	-	-	-	-
16. เหยื่อ	-	-	-	-	-	-	-	-
รวม	-	-	-	-	-	-	-	-

บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

บันทึกสถิติความปลอดภัยของการปฏิบัติงานของพนักงาน ประจำปี 2561

3. จำนวนผู้ประสบอันตราย โดยแยกตามประเภทของอุบัติเหตุ

ประเภทของอุบัติเหตุ	256	256	อุบัติเหตุ	ผู้เสียชีวิต	บาดเจ็บ	ทุพพลภาพ	สูญหาย	ไม่ทราบ
1. เหยื่อ	-	-	-	-	-	-	-	-
2. เหยื่อ	-	-	-	-	-	-	-	-
3. เหยื่อ	-	-	-	-	-	-	-	-
4. เหยื่อ	-	-	-	-	-	-	-	-
5. เหยื่อ	-	-	-	-	-	-	-	-
6. เหยื่อ	-	-	-	-	-	-	-	-
7. เหยื่อ	-	-	-	-	-	-	-	-
8. เหยื่อ	-	-	-	-	-	-	-	-
9. เหยื่อ	-	-	-	-	-	-	-	-
10. เหยื่อ	-	-	-	-	-	-	-	-
11. เหยื่อ	-	-	-	-	-	-	-	-
12. เหยื่อ	-	-	-	-	-	-	-	-
13. เหยื่อ	-	-	-	-	-	-	-	-
14. เหยื่อ	-	-	-	-	-	-	-	-
15. เหยื่อ	-	-	-	-	-	-	-	-
16. เหยื่อ	-	-	-	-	-	-	-	-
17. เหยื่อ	-	-	-	-	-	-	-	-
18. เหยื่อ	-	-	-	-	-	-	-	-
19. เหยื่อ	-	-	-	-	-	-	-	-
20. เหยื่อ	-	-	-	-	-	-	-	-
21. เหยื่อ	-	-	-	-	-	-	-	-
22. เหยื่อ	-	-	-	-	-	-	-	-
23. เหยื่อ	-	-	-	-	-	-	-	-
24. เหยื่อ	-	-	-	-	-	-	-	-
รวม	-	-	-	-	-	-	-	-

บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
T S FLOUR MILL PUBLIC COMPANY LIMITED

บันทึกสถิติความปลอดภัยของการปฏิบัติงานของพนักงาน ประจำปี 2561

4. จำนวนผู้ประสบอันตราย โดยแยกตามประเภทของอุบัติเหตุ

ประเภทของอุบัติเหตุ	256	256	อุบัติเหตุ	ผู้เสียชีวิต	บาดเจ็บ	ทุพพลภาพ	สูญหาย	ไม่ทราบ
1. เหยื่อ	-	-	-	-	-	-	-	-
2. เหยื่อ	-	-	-	-	-	-	-	-
3. เหยื่อ	-	-	-	-	-	-	-	-
4. เหยื่อ	-	-	-	-	-	-	-	-
5. เหยื่อ	-	-	-	-	-	-	-	-
6. เหยื่อ	-	-	-	-	-	-	-	-
7. เหยื่อ	-	-	-	-	-	-	-	-
8. เหยื่อ	-	-	-	-	-	-	-	-
9. เหยื่อ	-	-	-	-	-	-	-	-
10. เหยื่อ	-	-	-	-	-	-	-	-
11. เหยื่อ	-	-	-	-	-	-	-	-
12. เหยื่อ	-	-	-	-	-	-	-	-
13. เหยื่อ	-	-	-	-	-	-	-	-
14. เหยื่อ	-	-	-	-	-	-	-	-
15. เหยื่อ	-	-	-	-	-	-	-	-
16. เหยื่อ	-	-	-	-	-	-	-	-
17. เหยื่อ	-	-	-	-	-	-	-	-
18. เหยื่อ	-	-	-	-	-	-	-	-
19. เหยื่อ	-	-	-	-	-	-	-	-
20. เหยื่อ	-	-	-	-	-	-	-	-
21. เหยื่อ	-	-	-	-	-	-	-	-
22. เหยื่อ	-	-	-	-	-	-	-	-
23. เหยื่อ	-	-	-	-	-	-	-	-
24. เหยื่อ	-	-	-	-	-	-	-	-
รวม	-	-	-	-	-	-	-	-

Environmental impact management policy, environmental protection and restoration

The company is aware and gives importance to taking into account the environmental impact in the production process. The company therefore has a factory building design. Production line As well as the use of technology and innovations in the production of modern products, together with the production process, is a closed system. And no complaints in the environment In addition, in the production process Does not cause waste from the production process

The company pays attention to noise pollution problems arising from production activities that have a negative effect on the daily life of community people. Therefore building a wall of soundproofing walls By focusing on helping to reduce the volume of noise caused by the production activities of the company, so that the production activities can be a part of the lives of the community. Which results from the construction of the soundproof wall, the company has measured the sound value caused by the production activity every year. By hiring a reliable and private company that is registered with the Department of Industrial Works In order to monitor and control the level of noise from production activities, not to exceed the standards set by the pollution control law And in order to prepare solutions to prevent noise problems caused by future production activities Also aware of the dust pollution problem caused by the rice hatchery activity that affects the daily life of the community behind the Silo Phase 2, with concern for respiratory health of Employees and community people Therefore creating a dust barrier In order to focus on preventing dust from the rice boat to be diluted And to allow the boat to receive rice boat activities as part of the community's lifestyle The result of the construction of dust barrier panels Has measured the concentration of dust in the atmosphere caused by receiving rice boat boats every year. By hiring a reliable private company and being registered with the Department

Industrial plants as well and checking the concentration of dust at the actual work condition By the Pollution Control Department In order to be a surveillance and control of the rice boat's receiving activities With the concentration of dust in the atmosphere Exceeding the standards set by the pollution control law In order to effectively manage, protect and protect the environment, the company has adopted the basic principles of business operations. By setting goals and things that must be followed by law to operate

In the year 2018, the company had environmental impact management, environmental protection and restoration. In important social responsibility projects Environmental aspects

Property maintenance policy

The company has a policy of repairing and maintaining machinery and equipment in the factory. To ensure that machines and equipment All of the factories will be systematically maintained. And receive check, care and maintenance for a specified period of time In order to be able to use effectively No damage in the production process and can produce the product according to the customer's specifications. The company Has set the operational guidelines and established the operational goals in accordance with the asset maintenance policy as follows:

- Control the loss of machinery and equipment both directly and indirectly in the production process, not exceeding 1.5% per month of production time in each segment, consisting of wheat cleaning work Wheat flour milling And mixing and packing work



- Planning for maintenance of machinery and equipment Both direct and indirect, all of the factory By determining the frequency of inspection and maintenance Which is made into a working manual consisting of daily and weekly maintenance items By arranging staff to inspect each type of machinery according to

Frequency that has been placed, such as checking the lubrication of machinery used in conveyor-type conveyor chains, using gear oil to lubricate Use chain drive gears Using a grease bearing And use a roller mill Monthly maintenance list By having to change the spare parts for maintenance, extend the life of the machine on a monthly basis Divide the work into 2 times per month, 12 hours at a time and annual maintenance programs. By arranging for replacement of parts every year To maintain and extend the life of the machine Prepared during the long holiday Divided work into 2 times per year

- Arrange to check the stock of machinery spare parts every month. In order to have sufficient spare parts for the event That need to be used and change parts

- Encourage employees to cooperate closely in working together in the department and with other parties To improve the efficiency of work, security and safety of personnel

- Operate to make machinery and equipment more efficient And reliable Waste of time to stop production at the least With regard to security and safety is important in order to be able to fully utilize the property And will perform with the highest efficiency both in cost and manpower used

Related transaction policies

The company adheres to the policy to carry out the related transactions. According to normal business And is most beneficial to the company

- The Audit Committee or the Company's auditor Will consider and verify the appropriateness of the price And the reasonableness of the transaction

- Board of Directors Must comply with the Securities and Exchange Act of Thailand and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand Including compliance with information disclosure requirements Connected transaction And acquiring or selling important assets of the company According to the accounting standards determined by the Federation of Accounting Professions

- Related transactions between the Company And affiliated companies Make related transactions with related parties of the Company Must comply with the announcement of the Stock Exchange of Thailand, 2003 and the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 must be strictly in accordance with the rules, procedures and disclosure of relevant information

- In the event that a related person needs to make a transaction that is related to himself To consider the interests of the company primarily And to make such transactions as if doing transactions with third parties by directors, executives and all employees Related to that item Must not be part of approval

Procurement policy

In order to ensure the operation of the procurement, lease or procurement of the company Is fast Accurate, economical and concise with efficiency According to the requirements, correctly, appropriately, fairly, transparently, and can be inspected

- Purchasing, renting or hiring must take into account the maximum benefit of the company in terms of quality, price, amount of time and not causing any impact on food safety, the environment in accordance with the quality, occupational health, safety and environmental policies of the company. Also by purchasing, renting or hiring with a value of not more than 1,000,000 baht. If the value exceeds 10,000 baht or more, propose to the Managing Director for approval. And Chief Executive Officer And purchasing, renting or hiring with a value exceeding 100,000 baht must be submitted to the Executive Board for approval If the value exceeds 10,000,000 baht, it must be submitted to the Board of Directors for approval.

- In purchasing, renting or hiring, the Company must recruit at least 3 suppliers and contractors for comparison to maintain the highest interest of the company. If the limit is less than 20,000 baht, the quotation may not be required. But must have information in accordance with the request for employment request

- Rules for contract preparation Ie, having to have a limit for employment since 100,000-1,000,000 baht and has a period of employment ranging from 15 days up by contract contractors And the department requesting to hire is responsible for the content of the contract If the limit of employment is more than 1,000,000 baht, the contractor will make a contract. And / or hire a legal consultant to contract The department that requests to hire is responsible for the content of the contract. In case of annual employment service, every contract must be made.

- Prepare and control documents accurately, orderly and transparently.

- The company must not take advantage of traders. In which the discretion of purchasing, renting or hiring must take into account the benefits And damage that may occur In terms of the company's assets And damage that may occur In reputation and image

- Opportunity for competition between vendors as appropriate for the case For the benefit of the company Which must be based on fairness, fairness and strict confidentiality of partners

- Strictly complying with the rules and regulations of the company.

- Perform systematically Have a good advance planning In order not to affect the production process which will result in damage to the product And to help avoid urgent procurement or procurement Or without competition without justifiable reason

Information Technology Policy

The company aims to push employees. And related workers using information technology systems Which consists of data communication network circuits Computer With peripherals, data files and company information efficiently And not contrary to the law or related Act With adequate safety standards For the benefit and business effectiveness of the company Which shall be treated as follows

- The information technology system is used to promote the business of the company. Employees must not act for personal gain. Or violating good ethics and morals

- Information recorded and distributed through the information technology system is the responsibility of the owner of that information. That must be taken care of to avoid any deviation from the law or violate the third party
- Procurement of information technology systems to be used, taking into account the software that is the first standard before developing internal software to support operations
- To make the information technology system support efficient use The use of tools and computer equipment must be consistent with the principles and standards that have been approved and prescribed.
- Information owners must protect their information technology systems and important business information from external access or theft and mischief. To ensure that the business of the company Continue to continue with the least impact.
- Discipline in the use of information systems and communications equipment of the company Not to negatively affect the company and others, such as using as a tool to access information systems illegally Damage to reputation and property Interfering with or disturbing the operation of information systems Forge computer data, publish images, text or audio that are inappropriate. Including not using in business, personal or illegal acts
- The company will inspect, search, track, investigate and control the use of employee information systems. If you find any suspicion that an employee is using it in an inappropriate way or has a reasonable cause To protect the security of the information system, the company

Accounting policy

The company gives importance to accounting and financial reports. Which must be true and accurate Timely, reasonable and reliable To propose to the management of shareholders, government agencies And other related parties Therefore, it is essential that personnel at all levels must follow various process steps. Related to accounting, finance and internal control systems Including accounting and financial requirements of the company And the generally accepted accounting principles as follows:

- The accuracy of the transaction must be accurate, complete and can be checked without restrictions or exclusions. Record transactions according to actual accounting standards that are acceptable. In accordance with the rules and regulations of the company, documents for supporting business transactions must be complete and pass the appropriate examination.
- All financial and accounting reports of the company Must be accurate, clear Have sufficient material information Including the disclosure of appropriate information in accordance with generally accepted standards In accordance with the regulations of the company's finance and accounting All employees should be aware that the accuracy of accounting and financial reports is a shared responsibility of the Board of Directors, executives and employees responsible for that item.
- Compliance with relevant laws in the country And or abroad To make accounting And financial records of the company Being accurate and complete, as well as performing other duties in his own responsibility, by adhering to the principles of integrity, without prejudice, and having integrity in accounting and financial matters

Operational policy, taxation

The company attaches great importance to being a good citizen in terms of performance, taxation. Which is considered as one of the strategies for sustainable development of the organization in order to enable the management of the company Have strong tax management and promote maximum value creation for shareholders By paying taxes correctly as required by law There are guidelines for planning and practice of taxation in the same direction. Have established and managed appropriate



and sustainable tax management As well as having proper tax management, demonstrating transparency in business operations In order to benefit the business operation to sustainability, the Company therefore has guidelines in practice.

Taxation as follows

- Tax planning and guidelines
- Manage taxation to maximize tax benefits for organizations By complying with legal requirements Promote good image of the company And maintain good corporate relations with relevant government tax authorities
- Delivering taxes and duties within the period as required by law And manage the tax payment or tax return request for maximum liquidity for the organization
- Consider tax impacts on new investment projects or new business transactions In order for the new project or transaction to be consistent with business activities, corporate strategies and legitimate In addition, consider tax benefits or related tax exemptions for the benefit of stakeholders.
- Manage tax according to relevant laws and regulations
- Tax coordination with government agencies
- The company arranges for people to be responsible for taxes. And coordinate with the government's tax authorities and officials
- Tax advisor
- The company has tax advisor experts in providing advice for the maximum benefit of the company.

Policy and practice regarding creditors

The company has a policy to adhere to fair practices in accordance with the conditions. And responsible for creditors Including repayment according to Schedule with good practices as follows.

1. Strictly maintain and comply with conditions with creditors. Both in terms of repayment Securities care Guarantees and other conditions
2. Report the financial status to creditors in accordance with the terms and conditions of the loan agreement correctly, completely and in accordance with the principles of good corporate governance.
3. Report creditors in advance If unable to fulfill the obligations in the contract And together find ways to solve such problems To prevent default

Debt collection policy and bad debt provisioning

The company uses a policy to consider individual debtors in setting up bad debts.

1. Debt collection procedure

Considering the aging report If any amount is overdue for more than 60 days from the due date The Finance Department will prepare a notification letter, issue 1, send postage to the customer. By the Finance and Accounting Manager And sales and marketing manager Signed in the letter When sending mail The finance department will continue to follow the call on a periodic basis. The company will give customers 60 days to pay the debt.

If the payment has not been received by the customer within 60 days after sending the first letter, the finance department will produce a second letter containing more severe messages and send a postage to the customer. By the Finance and Accounting

Manager Sales and Marketing Manager And office manager Signed in the letter Once the second letter has been sent, the finance department will continue to follow the phone call periodically as before and the company will still allow customers 30 days to pay the debt.

After submitting the 2nd letter for 30 days, if the payment has not been received by the customer The legal advisor will prepare the 3rd letter and send the post to the customer. The message will be more severe than No. 2 and the company will give customers 30 days to pay the debt.

If the payment has not been received by the customer within 30 days after sending the 3rd letter, the company will continue to prosecute according to the law. When initiating a lawsuit against the court The accounting department will set up an allowance for bad debts.

(Unless the debt, including VAT, is not more than 20,000 baht, when sending a letter of demand via the registered mail, the 2 completed responses have not been paid. No need to wait to sue the court. To make allowance for bad debts)

When prosecuting the client has ended The office will bring the summary of the case to the accounting department. To continue to record the account If there is a debt that must be cut into bad debts, the accounting department must request approval from the managing director before recording the account.

2. Accounting record

When the company starts legal proceedings with customers in court (Step 2.4), the accounting department will record the accounts by

Deferred debt debit XXX.XX baht

Credit for allowance for doubtful debts XXX.XX baht

According to the amount of outstanding money brought to prosecute

If the prosecution has already received payment from the customer The accounting department will record the account by

Debit XXX.XX bank deposits

Credit XXX.XX baht debtor

Debit, debt allowance, loss of XXX.XX baht

XXX.XX baht loss debt credit

According to the amount received

When the case ended And have the amount that cannot be collected from customers The accounting department will record the account by

Debit, debt allowance, loss of XXX.XX baht

XXX.XX baht loss debt credit

Debit bad debt XXX.XX baht

Credit XXX.XX baht debtor

According to the amount of money that cannot be collected from the customer after the end of the litigation

Policy on confidentiality

Personnel at all levels of the company Should maintain internal information and documents that cannot be disclosed to outsiders Which leads to seeking benefits for oneself or family Or wrongdoers Such as information that affects the stock price Trade secrets Various invention formulas Which is considered the Company's right This type of data protection is extremely important to the success of the company. Including being important to the stability of everyone's career In order to provide information to third parties in a way that will not cause damage to the business and the reputation of the company Therefore, the policy on confidentiality and the use of internal information is defined as follows:

- Information related to the parties and agreements that the company With the parties Is considered a secret that cannot be disclosed to other people Unless obtaining permission from the company and the counterparty
- Information sharing within employees Must be within the framework of duties and responsibilities As far as employees should be assigned only
- Establish measures and control systems to monitor company data Within the department / department of their own To prevent important internal information of the company Revealed to the outside before the official release This measure and control system should be considered as part of the Company's important risk control measures.
- To be considered as a duty and responsibility of the supervisor in various stages Must control and prevent the leakage of important information and news of the company to the outside by employees in the line of their supervisors before publishing official information of the company Employees who disclose information And important news of the company Will be released to outsiders before being officially published, will be considered disciplinary measures according to the company's regulations And may be prosecuted by law as well
- Disclosure of important information of the company Before going out to the outside, must be approved by the company's directors By the director Will be the person who provides information or assigns one person to be the giver or respondent

Human Resource Management Policy

The Company recognizes that employees are the most important and valuable factor for success, progress and prosperity. Growing firmly, the company aims to raise the level of employees' capabilities to be excellent. Personnel development in academic management And working culture, providing adequate tools for working in modern work Provide remuneration and welfare at a level comparable to the same business And create an atmosphere and condition

Elements of human resource management policies include

- Recruiting human resources

The company is considered a policy to ensure stability. In employment for employees of the company By taking into account the necessity of job positions according to the manpower plan The opportunity for internal staff who are capable and suitable for the job position first And give justice to the selection of people with knowledge Have good ability and attitude Packed in the vacant position that the company Want to get into work



- Compensation for employees and various benefits

The company has a system of compensation and benefits. Which is comparable to the same type of industrial business such as social security, compensation fund Provident Fund Annual health check Housing loan Ordination work Marriage allowance Money, maternity expenses and money

Assist in cremation. The salaries of employees are different. Which depends on the importance of the job position And responsibility Salary increases in normal circumstances are measured by employee performance and the appropriateness of the financial position of the company.

The company may need to have employees to work overtime sometimes. By considering as necessary because the company does not encourage employees to work overtime Instead of resting body and mind Each overtime is paid according to the company's regulations.

The company wants employees to be stable in their lives. Both during operation and At the end of being an employee By providing a provident fund Which is a collection of assets between employees and the company

- Performance evaluation

The company has the intention to provide fair evaluation of performance. In order to create the highest motivation for the work of employees The annual salary increase will use the criteria for evaluating such work. Is the norm. The progress in the employee's salary depends on the performance And the ability of employees to be promoted

Performance evaluation Is the heart of human resource management Because managing the right performance leads to overall organizational success. And also lead to incentives for employees in order to continuously create better results both in the short and long term With the process of designing the relationship, managing the performance that is considered as a process consisting of Input, Process, Output and Impact

- Input corporate values Used as the norm in thinking of every person's expression

That has resulted in the highest efficiency and effectiveness by the performance of Personnel are considered standard in both the dimensions of the career line. And dimension of role In the organization

- Process Portfolio Management Has determined and conveyed goals at all levels

In addition, there is a process for monitoring, evaluating success and obstacles. To proceed Edit during the year

- Output The work has designed the definition of the work. To focus on internal development

The organization specifies that the performance consists of 3 parts, namely the success of the work. Knowledge, capability and corporate values

- Impact earnings. Every employee will recognize that they are valuable to the success of the organization. Both in the form of money (Satisfaction) of stakeholders System development And effective knowledge management

In the year 2018, the evaluation results were further developed as follows:

1. Improving organizational structure to be flexible Clearly dividing responsibilities in the organizational structure For the company Able to compete with changes in the digital age

2. The company has studied, analyzed and developed the performance management system to be a management tool in the organization that gives importance to the complete work process. Either the result or the success of the job As well as the job performance and the desirable behavior of the practitioners used to drive the work successfully

3. Provide various courses To employees By inviting external speakers with expertise As a speaker to educate employees

- Discipline and disciplinary action

The company intends to treat all employees with good understanding, sympathy and tolerance. However, the company Must maintain the discipline of the work of all employees within reasonable limits Which is necessary to maintain peace in considering the disciplinary measures Will act by adhering to the principles of examinations, teaching, seeking facts in each case Based on the foundation of justice, the company believes that the objective of disciplinary measures is to enable employees to behave in accordance with existing rules and to correct misconduct.

- How to complain

The company will arrange working conditions in general. Go inside the company To be righteous Consistent with the wishes of employees However, in practice, there may be a conflict in which the company has a desire to be aware of the feelings of the staff in detail and promptly. Therefore, the company therefore requests cooperation from the staff. Informing their conflicts to the supervisor Which will give advice Or to solve problems Of employees as appropriate as soon as possible

- Employee news media

Employees will be informed of the information quickly. And correct in various stories Related to the company And staff duties The company Desiring to be informed of news in various matters From employees which are beneficial to the operation of the company To create a good understanding between each other To work together to achieve the goal well

The company will provide a method and channel for two-way news media to be effective. And media with speed

All of these Those who are supervisors at all levels play an important role as a transporter. And acknowledge all the news

- Employee safety And factory security

The company has a policy to provide safe working conditions for all employees, management and supervisors. All levels of work are responsible for managing employees to be safe at work. Determine safe working methods Provide various protective equipment As well as providing training to employees To have knowledge and understanding that will work safely Every employee has a duty Who have to study safety at work Follow various methods And use the protective equipment provided As well as informing the supervisor about various unsafe conditions That he has seen To correct

- Termination of employment and payment of benefits

Employment may end by various reasons. Whether the intention of the company Or the employees themselves In terminating employment, the company will pay benefits that employees should receive according to the rights specified in the company's regulations. But in any case, must not be less than the rights that the employee should receive as specified in the law

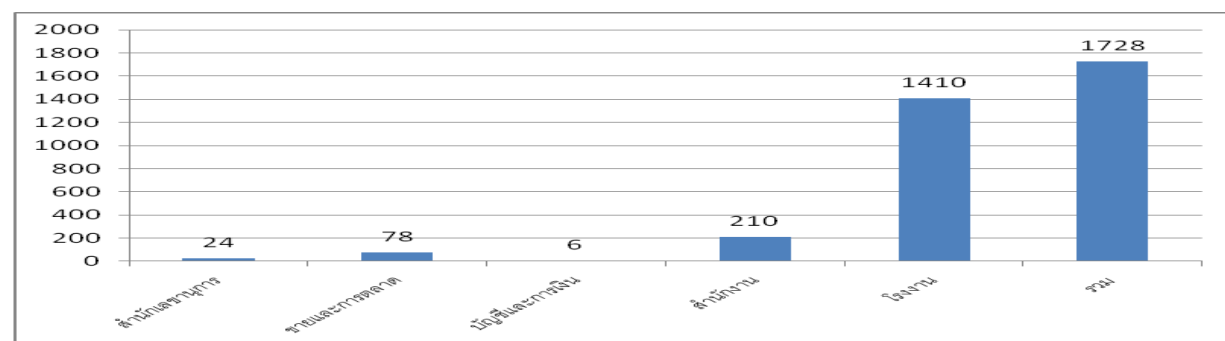
Personnel development policy

The company is determined to develop the potential and readiness of all employees to have knowledge and ability. Promote the development of personnel resources to be excellent. Because the company Realize that efficient human resources Is an important factor in running a successful business Recognizing the importance of the human resources of the company is evident from the company's mission, which states that the company aims to "encourage employees to have leadership at all levels and create an atmosphere for being an organization of learning"

The company has planned annual training for each staff member according to necessity and appropriateness and added additional courses to enhance various potentials. To personnel The Office of the Department will request approval of the training plan from the Managing Director. Training methods include lectures in class and practice. Including having a clear evaluation method. Training courses that the company Held that the focus is to develop personnel to perform correctly according to the standards set by the company And to develop work more effectively, such as basic knowledge courses GMP / HACCP / ISO22000:2005 and personal hygiene And the course of hazard analysis in wheat flour production process

Annual Training Plan 2018

cotton	number of employees	Number of hours of training	Average training hours / person
Office of the Secretary	7	24	3
Sales and marketing	8	78	10
Finance and Accounting	13	6	1
office	10	210	21
factory	86	1410	16
Total	124	1728	51



Summary of annual training details	
Total number of employees	124 people
Total training hours	1,728 hours
Total number of employees	14 hours per person

In addition to encouraging all employees to attend training within the organization, the company also encourages employees to attend external training, such as company secretary courses. Safety, Occupational Health and Working Environment Program Law and standard courses related to food additives Courses, problems and guidelines for property accounting

Employment policy, employee care and development

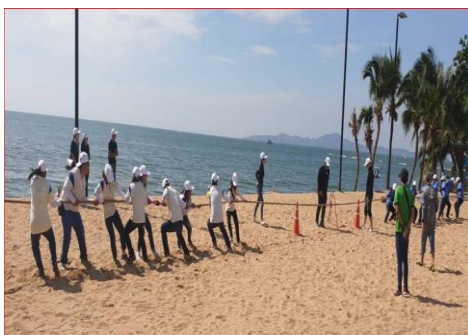
human resource Considered to be the most valuable resource Which is a factor that will lead to the creation of success for the organization in the long run. The company gives importance to employees at all levels to promote and develop knowledge, skills, abilities and potential of employees. Cultivate values and corporate culture As well as being responsible for society, environment and stakeholders continuously

In the year 2018, the company encouraged employees to receive training. Both inside and outside the company By inviting external speakers with knowledge, expertise Have experience to educate employees who are trained As well as encourage employees to receive training from external institutions as well

The company also provides various activities within the company to strengthen unity. Strengthen employees' morale In order to enhance good relations between executives and employees at all levels, such as water activities under the Songkran tradition Employee health check-up activities Recreational activities encourage employees to have a healthy body Sports activities New Year's party activity Activities to encourage employees to benefit the community as follows

On April 10, 2018, organized the TMILL event to join the Thai culture. Watering ceremony Songkran Tradition 2561**On July 9, 2018, annual health check-up activities in 2018****Recreational activities promoting Encourage employees to have a healthy body. Have a healthy, clear mind**

On December 15, 2018, the sport activities for the year 2561 at Jomtien Beach, Pattaya



On December 15, 2018, the New Year's Party event, 2018, at the Jomtien Garden Resort Pattaya



The company has set up a welfare committee in the workplace. Consisting of elected employees And executive representatives To perform duties in offering welfare in various fields To employers for employees in general As well as assisting in monitoring the performance of staff welfare to be as specified

Food quality and safety policy

The company is determined to develop products from wheat to be quality, clean, safe according to the food law requirements. And in accordance with Islamic provisions In order to meet customer satisfaction continuously In order to ensure quality management according to international standards With food safety And according to the Islamic law, the company has prepared a "quality policy And food safety "as written in order to be a clear guideline as follows

- Post quality publicity announcements And food safety According to the Islamic law Both inside and outside the organization such as news updates about changes affecting food safety
- Training work procedures and good hygiene in quality operations Food safety and according to Islamic provisions, employees are informed and strictly treated. Including personnel development By providing continuous training

- Set up a meeting to review food safety policy and objectives and evaluate activities Verification of the entire organization
- Monitoring of internal operations in accordance with the food law requirements In order to ensure the highest quality and safety of food systems and Islamic provisions
- Use modern technology in the production process Maintenance Quality inspection In order for the production to proceed continuously, efficiently and can be checked

In 2018, the company organized training according to ISO 22000: 2005 GMP, HACCP and HALAL standards as follows.

On 3 March 2018 organized the topic "Halal Development, Free Market, ASEAN Community Trade (HALAL)"



On October 6, 2018, organized a training session on the review of basic knowledge of GMP & HACCP & ISO 22000: 2005



On November 17, 2018, held a seminar entitled "Food Allergen Management" to manage food allergens.



On 24 November 2018, the training on "Food Defense", prevention of terrorism in food



Production policy

The company is committed to developing products from wheat to be of quality, clean, safe according to the food laws and regulations.

According to the provisions of Islam With the use of modern machinery and equipment to reduce environmental pollution Fast and efficient In order to meet customer satisfaction continuously And in order for the production process to be productive efficiently, the company has therefore created a "production policy" in writing. To be a clear guideline for the company

- Enhance the efficiency of the production process With control Improve and develop the production quality system according to ISO 22000: 2005 GMP HACCP and HALAL standards

- Increase quality and performance By managing and developing the operational level resources in the production process to have quality By practicing skills and abilities To increase work efficiency and effectiveness by providing training and staff development As well as promoting teamwork

- Increase efficiency in machinery, equipment and technology By studying and analyzing machinery, equipment, tools and modern technology To meet the needs and satisfaction of customers

- Supervise the production process optimization As well as prevent and control the loss with systematic and continuous reporting

- Provide a systematic consultation meeting To plan production in accordance with the economic conditions and meet the needs of customers according to the agreements made

- Establish food safety objectives (Objectives) in every part of production to control work to achieve the objectives and goals set

Production process and product standards

The company is an importer of wheat for the production and distribution of wheat flour in the country. With a policy and commitment to produce the highest quality and standard products Starting from selecting good and quality ingredients. Production of products with modern processes and technology for delivering quality products and standards With maximum safety according to international standards As well as creating an environmentally friendly product manufacturing process that meets the needs of customers And create customer satisfaction



The company has been certified for food safety management system ISO 22000: 2005, Hazard Analysis and Critical Control Point System for HACCP (Hazard Analysis and Critical Point System) Standard GMP (Good Manufacturing Practice). Halal mark As well as operating in accordance with the green industry standard according to the project of the Department of Industrial Works In order to ensure that Company products Is a good product and quality Have standardized production systems Can check back data And taking into account the safety of customers and consumers

Development research And promotion of innovation and technology development

Because the company Is a wheat processing wheat flour used in various food production The direction and trend of food consumption is therefore a factor and necessity for various food entrepreneurs. Must have understanding And develop food to meet and meet the needs of consumers. The company has a product research and development department to meet the needs of customers who are food entrepreneurs to invent, research, develop both formulated ingredients. Technology development and production innovation As well as creating added value for the company's products

The company recognizes and gives importance to technology development and continuous innovation. By promoting potential And developing skills in knowledge and expertise of employees Which will lead to being a learning organization and able to apply knowledge to innovate Research and development of various technologies and innovations In order to bring maximum benefits to the organization in the future

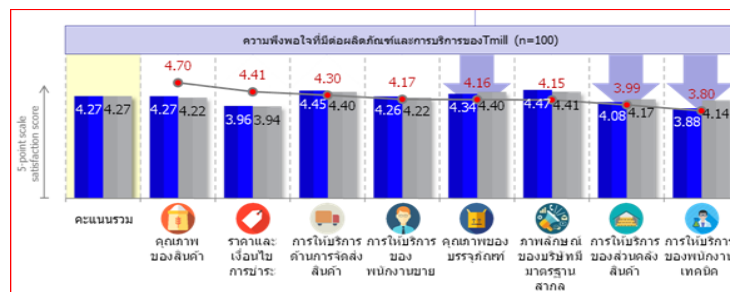


Working system development And having responsibility for customers

The company has customers who contact to visit the company's business. And came to review the management and quality control systems in various areas Which creates mutual learning and development of the work system between the companies And close customers The company Has arranged for customers to visit the business and review the management and quality control systems To ensure that Products and services of the company With production processes with the highest quality standards and safety

Customer Satisfaction Survey

In the year 2017 and 2018, the company has arranged an assessment to survey satisfaction from the use of the products and services of the company, which the company is committed to producing products and providing professional services. To provide customers with the highest satisfaction continuously By the summary of the satisfaction level assessment as follows



Working system development And having responsibility for customers

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List of customers who visited the company in 2018

date	Company Name
January 18, 2018	One Thai Food Industry Company Limited
February 22, 2018	Food Coatings International Company Limited
March 15, 2018	Bangkok Inter Food Company Limited
April 5, 2018	CPF (Thailand) Public Company Limited Minburi Factory
May 3, 2018	MIXMASTER COMPANY LIMITED
May 9, 2018	CPRAM Company Limited (Lat Krabang Branch)
May 30, 2018	Kerry Ingredients (Thailand) Co., Ltd.
June 14, 2018	Win Sands Industries
June 27, 2018	Chokchai Phibun Company Limited
July 11, 2018	New Jelly Foods (Thailand) Company Limited
July 18, 2018	Bowman Eagle Company (Thailand) Company Limited
July 25, 2018	Nippon (Thailand) Company Limited
August 9, 2018	Thai Flour Industry Company Limited
August 21, 2018	Thai Nissin Technological Company Limited
September 13, 2018	Sinova Company Limited
September 15, 2018	Bangkok Inter Food Company Limited
September 19, 2018	Nutrix Public Company Limited
September 24, 2018	President Bakery Public Company Limited No. 1



date	Company Name
September 27, 2018	C&W Company Inter Foods Co., Ltd.
October 2, 2018	Srifa Rice Food Company Limited
October 4, 2018	Seafresh Industry Public Company Limited
November 7, 2018	Calby Thanawat Company Limited
November 15, 2018	President Bakery Public Company Limited No. 2

Business ethics of the company

T S Flour Mill Public Company Limited focuses on treating all stakeholders equally and fairly. According to the good corporate governance policy Board of Directors Has set out the code of conduct for the management and employees to be used as a guideline for performing duties according to the company's mission With honesty and integrity Including the supervision and monitoring of compliance with such guidelines regularly

The directors, executives and employees must acknowledge and understand. Including adhering to the guidelines In order to ensure that the performance of each person is effective, open, transparent, honest Taking into account the maximum benefit of the company And fair to all stakeholders

Code of Conduct for various stakeholders

1. To shareholders

- 1.1 Disclose accurate, complete, adequate, timely, transparent and fair information.
- 1.2 Be careful in any operation Which will cause shareholders to be confused and misunderstood in the facts of information
- 1.3 Treat all shareholders to be equally fair.
- 1.4 Supervise the management of the organization with care and prudence in order to prevent damage to shareholders.

2. Per customer

- 2.1 Treat all customers fairly
- 2.2 Provide excellent service with quality And efficiency
- 2.3 Take care and maintain the interests of customers appropriately and fairly.
- 2.4 Maintain customer confidentiality Including not using information for the benefit of the company And wrongfully related persons Unless necessary to comply with the law
- 2.5 Organize a system or channel for customers to express their opinions or complain about the service. And take corrective action and inform the customer quickly

3. Towards the competition

- 3.1 Conduct business under the rules of etiquette Oppose unfair competition Having treated competitors by conducting business under the rules of good competition
- 3.2 Conduct business without damaging the reputation of competitors. Do not accuse of evil in a dishonest way, without information, truth or aggravate competition.
- 3.3 Conduct business by not seeking competitor's confidential information in a dishonest or inappropriate way.
- 3.4 Not violating copyright or intellectual property of competitors and others

4. To partners and creditors

- 4.1 Procurement must be under the rules of the company. With transparency, fairness, and validation for the best interest of the company
- 4.2 Avoid procurement of procurement that is contrary to the overall benefits of the company.

- 4.3 Those involved in procurement activities must not benefit directly or indirectly from suppliers. And there is no close relationship that may affect the decision In the case of procurement and procurement with partners that have a close relationship Let the relevant person report the relationship to the highest supervisor of that line or report to the Managing Director to know and give comments in advance And must not participate in approval
- 4.4 Directors, executives and employees who are business partners with the Company Must report the relationship to the command line or report to the Managing Director in advance
- 4.5 Respect and implement the negotiation agreement And in accordance with conditions approved by the authority of the company
- 4.6 If the cause of failure to comply with the agreement or contract is found, the responsible person must immediately report to the supervisor.
- 4.7 Must provide true, accurate information, not misleading and misleading. Or provide incomplete information to partners or creditors
- 4.8 Must maintain and not disclose information about the business. And / or business secret information, business partners, creditors and other stakeholders Unless receiving permission from the authority of the company And those stakeholders
- 4.9 Employees can receive gifts. Which is worth not more than 500 baht in the event that it cannot be denied and must receive gifts Which is worth more than 500 baht must inform the supervisor By using the request / gift request form And send the gift to the center To inspect and store for bringing to be a reward for employees on various occasions such as New Year's party
5. Per employee
- 5.1 Give fairness to all employees and give rewards and provide appropriate welfare.
- 5.2 Treat employees with fairness, equality and non-discrimination.
- 5.3 Respect and do not violate human rights and human dignity of all employees.
- 5.4 Take care in creating an atmosphere, environment, hygiene, work safety As well as welfare, safety for life and property of all employees
- 5.5 Promote and support employees to develop knowledge And provide advancement to employees according to the ability and suitability of employees fairly
- 5.6 There is a fair evaluation of performance.
- 5.7 Give opportunities to offer and listen to comments. And suggestions that are beneficial to the company and the public
- 5.8 Give employees the right to participate in political rights Under the provisions of the Constitutional Law Which the company will not interfere with and do not involve the exercise of the rights of employees
- 5.9 Support and encourage all employees to take into account the interests of the organization or the public rather than personal interests.
6. Towards the public and society as a whole
- 6.1 Operate the business legally and do not participate or support, whether directly or indirectly. Or conduct business with the organization and / or persons who violate the law Or a threat to society
- 6.2 Cooperate in providing information that can be disclosed to prevent potential damage to the economy.

6.3 Cooperate and support various policies of promoting social activities And various public benefits as appropriate

6.4 Promoting social activities And various public benefits as appropriate by supporting and encouraging employees to participate in various activities With society And disclosed in the annual report of the company

7. Conflict of interest

7.1 Arrange for the supervision and protection of various transactions Including related transactions Not having a conflict of interest By setting policies Procedures Together with disclosing information of connected transactions to be in accordance with the regulations of the regulatory authorities

8. Giving or receiving gifts

8.1 In order to maintain a proper business relationship Therefore, the guidelines for the provision of gifts, gifts and entertainment Or any other benefits of the Company. The Company has specified such criteria in "Policy on Corruption"

Ethics of directors

1. To the organization

1.1 Perform duties with full capacity according to the law. Company objectives and regulations

1.2 Adhere to ethics Perform duties with honesty, morality and courage in expressing the right things.

1.3 Use discretion in performing duties independently from the management and other beneficial groups.

1.4 Do not disclose the company's confidential information. To outsiders

1.5 Give comments and suggestions to the company. Which makes the most benefit to the company

1.6 Encourage employees to have business ethics and work ethics. As well as having good corporate governance

2. To shareholders

2.1 Perform duties in accordance with the resolutions of the shareholders' meeting. And for the benefit of the shareholders as a whole

2.2 Supervise the management of the organization with care and prudence in order to prevent damage or impacts to shareholders.

2.3 Maintain the interests of shareholders to ensure that the rights of shareholders are paid attention and treated equally.

2.4 Disclose information or report the status of the organization to shareholders accurately, completely and in time.

3. To conflict of interest

3.1 There is no personal interest in business decisions. And not seeking benefits for oneself and related persons by using any information of the company which has not yet been disclosed to the public

3.2 Do not take any action In a manner that may cause conflicts of interest to the company Including preventing conflicts of interest

4. To the community, society and tradition

4.1 Not taking any action That will have a negative effect on the society as a whole

4.2 Responsible to the community and society by establishing business policies that are not contrary to the customs, customs and morals.

4.3 Environmental consciousness and natural resource conservation



Executive ethics

"Executive" means employees from the director level upwards. The management must comply with the ethics of employees and the following ethics.

1. To the organization

- 1.1 Perform duties with integrity. Be fair for the best interest of the company and stakeholders
- 1.2 should disclose the financial status of the company Accurately, completely and in time
- 1.3 Dedication, knowledge and ability For the benefit of the company at all times
- 1.4 should place himself as a representative of the organization to outsiders Including helping to promote the image of the company When there is an appropriate opportunity
- 1.5 Perform duties in accordance with policies or regulations relating to the extent to which the society is strictly defined by the organization.
- 1.6 In the case of providing information Or interview to the media Or against the public, must be assigned by the company

2. To subordinates

- 2.1 Have a good attitude to subordinates and should rule with subordinates with compassion and fairness, including abusing authority.
- 2.2 Have leadership and behave as a good role model Trustworthy to subordinates
- 2.3 Provide knowledge, advice and advice to subordinates Including listening to comments and suggestions From subordinates with willingness and sincerity
- 2.4 Promote subordinates to be more stable in their career and personal well-being

3. To conflict of interest

- 3.1 Not disclose confidential information of the company From the position Whether they are intended to seek or not seek benefits for themselves and those involved
- 3.2 Do not take any action That may cause conflicts of interest to the company

4. To the community and society

- 4.1 Acting under the moral framework, good tradition
- 4.2 Participate in various social activities and community organizations By providing appropriate assistance to the status and opportunity
- 4.3 Ignoring degrading behavior that may affect one's own image and reputation of the organization, such as all kinds of drug trafficking. Insolvent debt etc.
- 4.4 Do not cooperate or support any business That has a purpose which is a threat to the security of the country And / or contrary to good morals
- 4.5 Environmental awareness and conservation of natural resources

5. Giving or receiving gifts

- 5.1 In order to maintain business relationships appropriately Therefore, the guidelines for the provision of gifts, gifts and entertainment Or any other benefits of the Company. The Company has specified such criteria in "Anti-Corruption Policy"

Employee ethics

1. To the organization

- 1.1 Perform duties with integrity and fairness for the best interest of the organization and stakeholders.
- 1.2 Perform duties correctly and in accordance with laws, objectives, regulations, regulations, orders. And announcements that the company determines
- 1.3 Have a good attitude towards the company And supervisors, as well as respecting, obeying the superiors
- 1.4 Perform duties with knowledge, competence, efficiency and standards as required in the position of work with care and responsibility.
- 1.5 Compete with other people or other organizations under fair rules and regulations. Including not condemning or accusing in any way against others
- 1.6 Do not engage in business competition with the company.
- 1.7 Do not seek benefits for themselves and those involved from the position, duties and confidential information of the company.
- 1.8 Use the company's assets For the maximum benefit of the company Not for personal gain
- 1.9 Put yourself as an agent of the organization to outsiders
- 1.10 Pay attention to the code of conduct that the company determines and strictly follow. Including avoiding actions that conflict with the interests of the company
- 1.11 Do not do anything. That is procuring or arranging for sexual activities to acquire the business Or to support work
- 1.12 Take care of your behavior and colleagues. Not to have any behavior or action Which is characterized by threats including verbal threats Physical threat Visible threats And especially sexual harassment, such as courtship Claiming sexual benefits Or sexual and physical abuse or verbal abuse
- 1.13 Every employee has a duty to monitor the performance of all levels of fellow employees. When found the cause of dishonest behavior Must immediately report the irregularities to the supervisor Or report clues to complaints as the company Have organized the system
- 1.14 Be careful about the time spent working to perform other duties for personal gain, apart from the responsibilities that the company has. And report To the highest supervisor of that line Or report to the Managing Director to approve
- 1.15 Be careful about using and communicating electronic information. Which may affect the loss Lost and the reputation of the company

2. To customers and third parties

- 2.1 Providing services to customers with the objective of providing customers with the highest benefits on the basis of honesty, good-natured, listening to customer feedback. There is a sense of duty in providing services to customers. And treat every customer with equality
- 2.2 Do not give hope or commitment to customers on any matter that they do not have the power to act.
- 2.3 Maintain the confidentiality of customers and the company. Strictly and does not rely on the trust of customers to act in order to obtain the benefits of themselves and related persons.



- 2.4 Do not take any information Of customers to publicize to others or conduct business with customers
- 2.5 Do not call or receive any other assets from customers or partners of the company, other than the expenses and fees charged by the company.
- 2.6 In the event that there is a problem in the operation or problems with the customer, the employee shall report or consult the supervisor in order of rank.
- 3. To the supervisor
 - 3.1 Have a good attitude towards supervisors
 - 3.2 Do not take any action In addition to performing duties To hope for growth in career
- 4. Connect with colleagues
 - 4.1 Treat colleagues with good hospitality, sincerity and unity in the group, helping each other in a way that is favorable and beneficial to the work of the company. Transfer knowledge and experience to work for colleagues and subordinates in the hierarchy
 - 4.2 Do not bring personal matters Or information of colleagues to criticize in a derogatory way
- 5. To the community and society
 - 5.1 Acting under the moral framework, good tradition
 - 5.2 Participate in various social activities and community organizations By providing appropriate assistance to the status and opportunity
 - 5.3 Ignoring derogatory behavior that may affect one's own image and reputation of the organization, such as all kinds of drug trafficking. Insolvent debt etc.
 - 5.4 Do not cooperate or support any business That has a purpose which is a threat to the security of the country And / or contrary to good morals
 - 5.5 Environmental consciousness and natural resource conservation
- 6. Conflict of interest
 - 6.1 Avoid any actions Which is a conflict of interest for the company Regardless of whether it is caused by contact with related people Or from using opportunities or information obtained from being an employee for personal gain
- 7. Giving or receiving gifts
 - 7.1 In order to maintain proper business relationships Therefore, the guidelines for the provision of gifts, gifts and entertainment Or any other benefits of the Company. The Company has specified such criteria in "Anti-Corruption Policy"

Ethics of Investor Relations Section

- 1. To the organization
 - 1.1 Perform duties in accordance with the ethics of employees strictly.
 - 1.2 Build confidence, image and good attitude of the organization. To occur with shareholders, investors, analysts and stakeholders
 - 1.3 Report information that is important issues that affect confidence, image or good attitude. Of the organization to the supervisor immediately



2. To shareholders, customers and outsiders

- 2.1 Disclose necessary, transparent, clear, timely, reliable and fair information to the public.
- 2.2 Provide opportunities for all groups of stakeholders to access and inquire information.
- 2.3 Not disclose information that affects the price of the company's securities. Or may affect investment decisions
- 2.4 Build good relationships with shareholders, investors, analysts and stakeholders.
- 2.5 Perform duties by upholding the interests of shareholders and stakeholders as the location.

3. To conflict of interest

- 3.1 Maintain company secrets And not using internal information for personal gain Or related person
- 3.2 Avoid receiving appointments during the announcement of the company's financial statements. And practice in the trading of shares specified by the company

Corporate Social Responsibilities : CSR

Conducting business with social responsibility

The company is committed to conducting business by creating value for the organization together with economic, social and environmental development. To support and grow side by side in a sustainable manner Throughout the past, the company Therefore not only focus on business management In order to have good performance and create innovation to enhance the competitiveness of products At every step of the business operation, the company Realizing and giving importance to corporate social responsibility or corporate social responsibility (CSR) and is considered the top target of the company. The company has established policies and created various projects. That is beneficial to society Whether it is raising the living environment more Raising the standard of living And good health of the community As well as the continuation of Thai culture By the type of activity Will promote and support social activities, charitable donations And volunteering to help the community In each activity, the company Will set the goal by incorporating both internal and external resource sharing To make each activity the most effective However, the success of each activity will not only arise from donations of assets. But also emphasizes the participation of employees in the organization and the cooperation of external agencies As well as community cooperation

Within the organization, the company has set up a committee to plan the implementation of various projects. Which consists of personnel from many departments To brainstorm ideas in project design Which will collect ideas, communication and operations To define the style in each activity as follows

1. Design to define activities Is a project for each project Including objectives And the results obtained from Carry out the project

2. Activities Is the process of determining the budget, personnel to be involved And assigning external agencies to have a common role

3. Monitoring and evaluation After the activity Will be evaluated whether it is in accordance with the stated goals or And how to communicate within the organization and society Including coordinating activities to be part and accepted by society

The Company operates its business with responsibility to society, environment and stakeholders. stakeholders according to the following principles

1. Fair business operation

Board of Directors With the intention to strive to conduct business under the principles of good corporate governance According to the principles of good corporate governance And regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand To be used as the main factor in strengthening the organization to have an effective management system

2. Community impact management

The company is committed to carrying out its mission to seek and develop Have operations for the benefit of the community and society By giving priority to the relationship building process Promote participation Give importance and respect for human rights Lifestyle, local culture community And focus on improving and improving the quality of life of people on the basis of sustainable development

Give priority to management to reduce the impact on the community. By communicating with many In the community to acknowledge the problem Manage the problems With follow-up evaluation

3. Community relations management

The company is committed to operating in sustainable development activities. To raise the quality of life of people in the area With a focus on maximizing benefits, preventing and solving problems that occur to reduce impacts on communities, society, the environment, giving importance and respecting human rights Community life, local culture and values

4. Compliance with laws And related regulations

The company gives importance and has a policy to conduct business in accordance with the principles of good corporate governance. As well as strictly complying with laws, regulations, rules and regulations Which will result in the company Achieved the goal Both being trusted And the trust of shareholders and stakeholders, which the company has provided an internal control system to supervise and monitor the operations in various areas To comply with the law correctly and completely

5. Respect for human rights and treat labor fairly

The company has given priority to human rights. Which is considered one of the sustainable development strategies Adhere to conducting business with transparency Respect human rights law By encouraging all executives and employees to comply with human rights principles Which is the foundation of human resource development Which is considered an important factor of the organization And is beneficial to the society as a whole.

- The company will conduct business by respecting and encouraging employees to exercise their rights as citizens by constitutionality. And other related laws

- Support and respect the protection of human rights By regularly monitoring and preventing the business of the company from being involved in human rights abuses For example, do not support forced labor Against child labor

- Executives and employees at all levels of the company Must understand the laws related to duty And their responsibility directly And strictly follow

- The company does not support activities that violate international human rights principles.

- The company maintains personal information of employees such as biography, health history Work history, etc. Do not commit any offense by disclosing personal information of the employee to the public except with the consent of that employee And according to company regulations or laws

- Encourage employees to have a balance in living between work life and personal life And encourage employees to have opportunities to serve Do good for the society as a whole and follow the principles of various religions. Equally

- Provide a work system that focuses on safety and hygiene in the workplace, working properly according to standards For safety from potential dangers to people Both from accidents and diseases

- Provide fair employment conditions for employees And allow employees to receive appropriate compensation according to their potential

- Providing care about welfare for employees as appropriate, such as providing an annual vacation Reasonable overtime work, medical treatment as necessary and appropriate, etc.

- Executives and employees of the company Must not do anything That is a violation or threat to rights Whether physical, verbal, or action against others based on human rights, including race, color, sex, religion, language, political beliefs Or any other belief Defects / physical and mental disabilities Or showing undesirable behavior causing trouble, annoyance and damage

The company gives importance to respecting human rights and human dignity. Which is the basic right to treat employees and all stakeholders to have equal rights and freedoms. The company has no policy to restrict basic rights in terms of race, nationality, religion, gender, age, disability, political opinions, tastes Sexual and experience As well as providing opportunities for employees And stakeholders in all sectors can express their opinions through the company's suggestion channels Freely

All employees of the company Will be treated equally And to have strict observance All employees will be protected in accordance with basic rights in different areas, without prejudice to gender and physical and mental conditions. The company treats all employees correctly according to the law, rights and work regulations of the company, respecting the rights and responsibilities of employees. Not discriminate in employment No employment As well as creating a good working atmosphere By maintaining a safe working environment Hygienic, occupational health Including creating a corporate culture to support each other

The company attaches importance to employment. With proper and fair compensation and welfare management for employees in order to provide employees with good returns and quality of life Can compete like nursing care Annual health examination Emergency loans Provident Fund In addition, the company Giving importance to the development of the employees of the organization to have knowledge and ability By encouraging and giving opportunities for employees to regularly develop their knowledge to develop their potential, skills, abilities and work experience

In 2018, the Board of Directors Has determined and reviewed the social responsibility strategy Both short and long term And also agree to use the strategy of excellence in good corporate governance and social responsibility For sustainable growth The goal is to be a good citizen organization of the world that builds confidence and trust for stakeholders in good corporate governance and social responsibility.

The Company's social responsibility process To create value and add value to stakeholders including community society as follows

1. Establish CSR work as part of corporate strategy for sustainable growth

- Good Corporate Governance
- Compliance and legal culture (Compliance & Legitimate Culture)
- Corporate Social Responsibility and Good Reputation

2. Determine the criteria for selecting social projects (CSR) that create a balance between the impact on society, community and the company and the duration of the project that will cause that effect. In order to maximize the benefits in terms of budget and benefits for stakeholders

3. Comply with the Sustainable Development Goals (SDGs). In addition to selecting suitable social projects according to the criteria The layout of the project is also designed to be consistent and responsive to the guidelines for sustainable development. There are operations or disclosure of operational data in all three aspects that are covered in good criteria. However,

The company should consider revising the process. As well as the continuity of operations in order to better track the performance of which the Company will use the evaluation results as information for further improvement

With details according to the major social responsibility program in 2018,

4. Set CSR goals to create additional value and change in a better way to society and the community (Value Creation & Social Transformation)

5. Evaluate the risk of corruption in the CSR project. The risk assessment results are not at a significant level.

6. Provide knowledge, understanding and participation in concepts / activities And good practices on responsibility Society with employees and stakeholders of the company All groups continuously

7. Conduct a good global citizenship policy according to the UN Global Compact (UNGC) guidelines.

Good global citizenship role: The Board of Directors Committed to supervising the company Behave as a good corporate citizen to be a good model And encourage relevant stakeholders throughout the supply chain to abide by and follow To create a quality society Summary of the company's operations by adhering to the UNGC principles in accordance with the four commitments (human rights Fair labor practices Environmental care And anti-corruption

1. Human rights

The company has given priority to human rights. Which is considered one of the sustainable development strategies Adhere to conducting business with transparency Respect human rights law By encouraging all executives and employees to comply with human rights principles Which is the foundation of human resource development Which is considered an important factor of the organization And is beneficial to the society as a whole.

☐ The company will conduct business by respecting and encouraging employees to exercise their rights as citizens by constitutionality. And other related laws

☐ Support and respect the protection of human rights. By regularly monitoring and monitoring the business of the company Involved in ignoring human rights For example, do not support forced labor Against child labor

☐ Executives and employees at all levels of the company Must understand the laws related to duty And their responsibility directly And strictly follow

The company does not support activities that violate international human rights principles.

☐ The company maintains personal information of employees, such as biographies, health history. Work history, etc. Do not commit any offense by disclosing personal information of the employee to the public except with the consent of that employee And according to company regulations or laws

□ Encourage employees to have a balance in living between work life and personal life. And encourage employees to have opportunities to serve Do good for the society as a whole and follow the principles of various religions. Equally Provide a work system that focuses on safety and hygiene in the workplace, working properly according to standards for safety from potential dangers to people both from accidents and diseases.

□ Provide fair employment conditions for employees. And allow employees to receive appropriate compensation
As potential

□ Providing care for welfare for employees as appropriate, such as providing an annual vacation Reasonable overtime Medical treatment as necessary and appropriate, etc.

□ The executives and employees of the company Must not do anything That is a violation or threat to rights Whether physical, verbal, or action against others based on human rights, including race, color, sex, religion, language, political beliefs Or any other belief Defects / physical and mental disabilities Or showing undesirable behavior causing trouble, annoyance and damage

2. Fair labor practices

The company complies with the Labor Protection Act BE 2541 with no policy to accept employees under the age of 15 years without forced labor in all forms including Forced prisoners Labor under contract, labor, debt or slave labor and human trafficking related to such incorrect labor Including complying with laws and regulations relating to Strictly occupational health and safety Create a safe working environment for employees, contractors and visitors. The company By trying to keep everyone safe from accidents and any dangers That may occur

In 2018, the company supports the promotion of job creation. Create a career for the mentally disabled To provide opportunities for disabled people to participate in socializing with the workplace Have a good mental state and still have income to support themselves and their families With the evaluation of the project as follows

1. There are reports of work from agencies that disabled people are sent to every 6 months.
2. CSR team visits the disabled area to encourage and organize activities to promote relationships



3. Environmental care

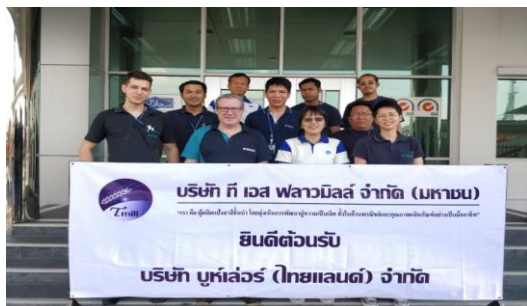
The company has followed the best practices in the environment by adhering to international standards. And perform more than the law requires In accordance with the policy on safety, health and environment

In addition, the company has chosen to use modern technology for the production of wheat flour as machinery of the brand of Buhler from Switzerland. And have a regular inspection plan for maintenance of machinery Including the production process in each section in detail In order to comply with GMP / HACCP system by the company's wheat flour production process No environmental impact No waste water from the production process And no pollution that affects society There is a caring for the environment by delivering wheat flour to customers with a car. Deliver wheat flour with a car, equivalent to 30 percent of

the total amount of wheat flour delivered throughout the year The delivery of the dough with this socket helps to prevent the sacking of the bag from being packed with wheat flour. Help reduce the production of sack woven bags. Reduce pollution and waste generation Preserving the environment

In 2018, Buhler (Thailand) Company Limited came to train and educate employees about the potential development.

In flour milling



Training on Awareness of energy conservation in the organization To enhance knowledge, understanding, ability, as well as to raise awareness on energy and environmental conservation for employees in the organization Has applied the knowledge gained from training to apply to the work Strengthen the team And strengthening cooperation in energy conservation and environmental practices in sustainable organizations



4. Anti-corruption

The company has a policy to support partners, partners and stakeholders. Realize and give importance to anti-corruption by communicating through various channels As well as to prevent and prevent corruption in the organization Or joining a network member and supporting activities In the fight against corruption Creating a network of anti-corruption And support the business partner of the company In becoming a Thai private sector coalition for anti-corruption (CAC) by providing knowledge to customers And contractors And as a medium to coordinate with groups Partners that express their intention to become a member of the Alliance

TS Flour Mill Public Company Limited has been certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption on February 12, 2018, which is a very proud work. And the company continues to provide communication and instill awareness of anti-corruption against employees in the organization continuously.



Dr.Charnkrij Dejvitak Executive Vice Chairman & Managing Director of TS Flour Mill Public Company Limited, accepted the certificate. "Certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC)", honored by Dr. Bundit Nijathaworn, Secretary General of the Private Sector Collective Action Coalition Against Corruption (Collective Action Coalition Against Coruption) At the ceremony on 7 June 2018

In the year 2018, the company did not receive complaints about corruption and corruption. Or actions that are in the wrongdoing of employees both from within and outside the organization. In the year 2018, training is provided to educate employees. In order to continuously instill the awareness of anti-corruption to employees throughout the organization



Clue notification Or complaints

T S Flour Mill Public Company Limited has always focused on good corporate governance. By operating the business correctly Be fair to all parties And giving importance to transparency Or provide information about business irregularities of the company In various matters such as financial transactions, compliance with the legal requirements Compliance Or business ethics Through the designated expressway

In order to create confidence for employees Or informant That reporting or providing information will not cause the complainant or the informer to suffer damage. And alleviate suffering for those who have reported Or provide information that has been unfairly treated, such as being bullied Or threatened

The above mechanism, the company called the protection and fairness policy for employees who informed or provided clues about corruption. Or not complying with the laws, rules and regulations of the company And the code of conduct of the company



The company is confident that this mechanism will be very useful to the company. If used seriously, please ask everyone to understand. And study in detail with correct implementation

Complainant

1. Employees and / or those who witnessed actions that violate laws, regulations, company regulations Or business ethics of the company

2. Employees who are harassed, threatened, subjected to disciplinary punishment, such as salary cuts, suspended work, leaving work or being discriminated against in ways that are not related to employment conditions Due to the fact that he has complained to the information Or will provide help information in the investigation process Or collecting facts for the recipient of the complaint Including prosecution, witnessing, giving statements or any cooperation To the court or government agency

Channels for receiving clues or complaints Or advice about corruption

☐ Employees or complaints Can file complaints about corruption in accordance with the channels that the company has set By specifying the details of the clues Or complaints Or fraud advice with name, address and telephone number that can be contacted

☐ The company has a safe and accessible channel for employees or complainants to access confidently when employees or The complainant would like to provide information or clues about corruption and corruption. And giving advice on the implementation of anti-corruption measures as follows

(1) Comment box

(2) Email: vanavit@yahoo.com

(3) Letter by specifying the name and sending to the following address

Mr. Somchai Vanavit, Chairman of the Audit Committee

T S Flour Mill Public Company Limited

90/9 Moo 1 Soi Siam Silo, Pu Chao Saming Phrai Road

Samrong Klang Sub-district Phra Pradaeng District Samut Prakan Province 10130

(4) In case of urgency, call 02-017-9999 # 200, 611 to contact the Board of Directors.

In the case that the complainant chooses not to disclose the name-surname Must specify details of facts Or sufficient clear evidence showing that there is a reasonable reason to believe that there is an act that violates the law Company regulations Or business ethics of the company

The complaint will be considered the most confidential. And the complainant can file more than one complaint and does not need to disclose the identity of the complainant In the case of a self-disclosure complaint, the company will Can report the operation result or additional details in the complaint

Protecting those who report or give clues

1. The company provides protection for the rights of the complainant and the person who provided the information in good faith By concealing the name-surname, address or any information Confidential Which prohibits the disclosure of information to other persons who do not have related duties Unless it is a lawful disclosure according to the court order or the relevant regulatory agency Or orders of government agencies

2. The complainant can choose not to reveal himself. If seeing that disclosure may cause damage to himself But must specify details of facts Or sufficient clear evidence showing that there is a reasonable reason to believe that there is an act that violates the law, rules and regulations of the company Or the code of business conduct of the company occurs. However, if choosing to disclose yourself, it will make the recipient of the complaint can proceed more quickly.

3. Relevant information The company is considered confidential. And will disclose as necessary With regard to safety And damage of the reporter Source of information Or related person The responsible person in every step must keep the information that is recognized in the highest level. And not disclose to others If violating it is considered a breach of discipline

4. In the case that the complainant sees that he or she may be unsafe Or may cause damage The complainant can request the company to Can set appropriate protection measures, or the company may prescribe protection measures by The complainant cannot request If it is seen as a matter that is likely to cause damage or insecurity

5. Employees who treat other people with unfair methods Discriminate with inappropriate methods Or causing damage to other persons Which has an incentive from the other person's complaint Has notified the complaint or clue about corruption Or not complying with laws, rules, regulations or business ethics of the Company Including the fact that another person is prosecuting Testify to testify or give

Cooperate with any court or government agency Considered as an offense for discipline that must be punished Which may be punished as required by law If such action is considered a criminal offense

6. Those who have suffered damage will receive relief and damage through appropriate and fair procedures or procedures.

7. Any person who acts in retaliation or threatening the whistleblowers will be treated appropriately. Including being prosecuted under the law

8. Implementation of the ISO 22000: 2005 guidelines. The company pays attention to conducting business with responsibility. In order to build confidence among stakeholders and the good image of the company Can summarize important operations in 2018 in accordance with ISO 22000: 2005 guidelines and in accordance with the Guidelines for Social Responsibility guidelines for the presentation of social responsibility information of the Stock Exchange of Thailand as follows:

1. Good corporate governance

The company operates in accordance with the good corporate governance policy of the company. Strictly and continuously developed According to the principles of good corporate governance, page 92-251

2. Conducting business with fairness

TS Flour Mill Public Company Limited is committed to conducting business to achieve stable and sustainable growth by creating added value for shareholders. And all stakeholders Board of Directors Has given importance to compliance

Guidelines of the Stock Exchange of Thailand In order to have a good governance system By the Board of Directors Has established a corporate governance policy And business ethics of the company For directors, executives and employees for everyone to use as guidelines

In the performance of all stakeholders Which has been announced and communicated to employees for acknowledgment Including publishing on the company's website (www.tmill.co.th)

Directors and executives at all levels of the company Must be a good example in compliance with the prescribed corporate governance policy Management is responsible for disseminating knowledge. Create understanding And encourage employees at all levels to strictly comply with the corporate governance policy, creating a part of the corporate culture in the operation And review every year To ensure that personnel at all levels strictly adhere to the guidelines As detailed in the good corporate governance policy / Business Ethics of the Company

3. Anti-corruption

The company is operating seriously. As detailed in the Anti-Corruption

4. Respect for human rights

The company respects and supports the protection of human rights declared at the international level. The UN Global Compact (UNGC) in non-discrimination for reasons due to similarities or differences In terms of race, religion, gender, age, education, status and respect for personal freedom And protect personal information

5. Fair treatment of labor

The company treats workers fairly. Based on the UN Global Compact (UNGC) principles by providing work processes that focus on safety and hygiene in the workplace appropriately. Developing the potential and increasing the skills of the employees regularly according to the individual development planning program With an effective and fair evaluation system And has improved care on employee welfare as appropriate Including evaluation of participation and employee satisfaction towards the organization for further development

6. Responsibility to consumers

The company has planned a strategy to manage the distribution channels for products to be more efficient. By considering the behavior and needs of different customers And focus on customer satisfaction By focusing on responding to the needs of every group of customers to the highest level In addition, there is an information technology system to manage various databases. Important to be ready to meet the needs of customers effectively such as the system

7. Community and social development

(Details on important social responsibility projects in 2018,

Social projects that are aligned with national strategies

The company operates on the basis of good governance in accordance with the UN Global Compact, which focuses on honesty, transparency and responsibility for society, environment and human rights. In order to aim for the Sustainable Development Goals, which has been linked to the 20-year national strategy according to the 12th National Economic and Social Development Plan and defined in the Constitution under Section 65 at Set the strategy to include sustainable development goals. The company therefore believes that organizations aimed at creating innovation for sustainability and black Only responsible business will grow to be the future leader.

The company has shown examples of the implementation of social projects in 2018 that respond to the 17 SDG goals and corresponds to some of the national strategies as follows.

Issues that arise And 20 years strategy	SUSTAINABLE DEVELOPMENT GOALS-SDGs	Project of TMILL
(1) The richness of the poor and the rich (Ref TDRI) Strategy 3: Development and capacity building for people Strategy 4: Creating opportunities, equality and social equality		- Good scholarship program But poor - The Takharad project
(2) Premature pregnancy Strategy 3: Developing and empowering people		-
(3) Climate change that affects epidemics Strategy 1: Security Strategy 3: Development and capacity building for people Strategy 4: Creating opportunities, equality and social equality		-
(4) Educational values that change Strategy 3: Development and capacity building for people Strategy 4: Creating opportunities, equality and social equality		-

Issues that arise And 20 years strategy	SUSTAINABLE DEVELOPMENT GOALS-SDGs	Project of TMILL
<p>(5) Medical treatment rights</p> <p>Strategy 3: Development and capacity building for people</p> <p>Strategy 4: Creating opportunities, equality and social equality</p> <p>Strategy 6: Balance adjustment and development of public administration system</p>		-
<p>(6) Cost of living, unpaid wages</p> <p>Strategy 3: Development and capacity building for people</p> <p>Strategy 4: Creating opportunities, equality and social equality</p> <p>Strategy 6: Balance adjustment and development of public administration system</p>		- The project provides opportunities for disabled people to participate in socializing with the workplace.
<p>(7) Natural disasters and prevention</p> <p>Strategy 1: Security</p> <p>Strategy 2: Creating competitive capability</p> <p>Strategy 5: Creating growth on the quality of life that is environmentally friendly.</p> <p>Strategy 6: Balance adjustment and development of public administration system</p>		-
<p>(8) Drought and the need for agricultural products</p> <p>Strategy 1: Security</p> <p>Strategy 2: Creating competitive capability</p> <p>Strategy 5: Creating growth on the quality of life that is environmentally friendly.</p>		-

Issues that arise And 20 years strategy	SUSTAINABLE DEVELOPMENT GOALS-SDGs	Project of TMILL
<p>(9) Promoting the use of space for maximum benefit</p> <p>Strategy 2: Creating competitive capability</p> <p>Strategy 5: Creating growth on the quality of life that is environmentally friendly.</p> <p>Strategy 6: Balance adjustment and development of public administration system</p>		-
<p>(10) Coastal fishing areas and floods</p> <p>Strategy 5: Creating growth on the quality of life that is environmentally friendly.</p> <p>Strategy 6: Balance adjustment and development of public administration system</p>		-
<p>(11) Promoting tourist attractions in various dimensions</p> <p>Strategy 2: Creating competitive capability</p> <p>Strategy 5: Creating growth on the quality of life that is environmentally friendly.</p> <p>Strategy 6: Balance adjustment and development of public administration system</p>		-
<p>(12) Thailand, the door to a new world</p> <p>Strategy 1: Security</p> <p>Strategy 2: Creating competitive capability</p> <p>Strategy 6: Balance adjustment and development of public administration system</p>		-

Issues that arise And 20 years strategy	SUSTAINABLE DEVELOPMENT GOALS-SDGs	Project of TMILL
<p>(13) New energy sources from waste management</p> <p>Strategy 2: Creating competitive capability</p> <p>Strategy 5: Creating growth on the quality of life that is environmentally friendly.</p>		-
<p>(14) Life safety with waste management areas</p> <p>Strategy 4: Creating opportunities, equality and social equality</p> <p>Strategy 5: Creating growth on the quality of life that is environmentally friendly.</p>		-

17 goals based on SDGs	
<p>1. Eliminate poverty</p> <p>2. Eliminate hunger</p> <p>3. Having health and well-being</p> <p>4. Equal education</p> <p>5. Gender equality</p> <p>6. Water and sanitation management</p> <p>7. Clean energy that everyone can access</p> <p>8. Valuable employment and business growth</p> <p>9. Infrastructure innovation industry</p>	<p>10. Reduce ultrasonic sequins</p> <p>11. Sustainable cities and human settlements</p> <p>12. Sustainable consumption and production plans</p> <p>13. Coping with climate change</p> <p>14. Utilization of ocean and marine resources</p> <p>15. Utilization of land ecology</p> <p>16. Peaceful society, justice, not discrimination</p> <p>17. Cooperation for sustainable development</p>



Important social responsibility projects in 2018



Economy

The company has a goal to perform excellent production. Increase production efficiency continuously And stable Including the management of production costs As well as flexible production planning that can meet the needs of the market Taking into account the safety and occupational health, social, community and surrounding environment Including cultivating a safety culture Which is an important factor of continuous performance for all employees

The company has energy management by implementing the "Energy Saving and Reduction of Greenhouse Gas Emissions" project with the goal "Mitigate environmental impacts" in parallel with "reducing the use of resources effectively" to promote environmental quality and maintain an ecological balance in the area continuously and sustainably

Management approach

The company is well aware of the efficient use of natural resources as an important cost in driving the economy and social development. The company has not stopped to evaluate And improve And develop the operation to use the limited resources for maximum benefit by cooperating in the whole organization To raise the level of industry and society to grow together sustainably With an energy management working group Working group on environmental management Which has the highest executive as chairman of the working group To supervise and manage the policy Standard set By the company's goals Is to reduce the use of electrical resources along with the mitigation of global warming or efficient greenhouse gas emissions

Target for 2018

Implementing measures to reduce electricity consumption in 2018, which is a percentage reduction of electrical energy in 2017, equal to 2.50% in order to reduce the amount of greenhouse gas emissions in accordance with the actual electricity consumption reduction. By improving and improving the efficiency of the use of electrical energy to maximize benefits such as reducing the leakage point of the compressed air system 35 points. Changing the lamp High Sodium is a 42-point LED lamp to change the new electric motor. And reduce the air pressure from 9 bar to 8.5 bar etc.

Performance

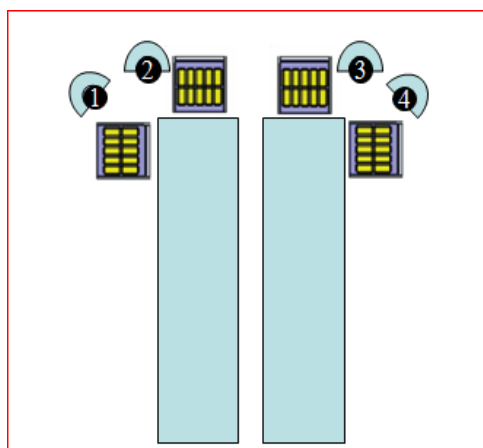
The company can reduce electricity consumption. Which is a percentage reduction of energy consumption in 2017 that was originally used by 2.50% by reducing alongside greenhouse gas emissions Due to the continuous efforts to implement the project to reduce the use of electrical energy in the company with operating results Supply chain management: focus on improving the tools used in production planning to be more efficient and able to analyze production results more accurately by conducting "robot installation projects, sorting sacks of flour onto pallets "

• The robot installation project arranges flour sacks on pallets.

In the year 2018, the company installed a robot to sort the powder sacks on the pallets "(Pallettizer And Robot Automation Systems) to reduce labor.

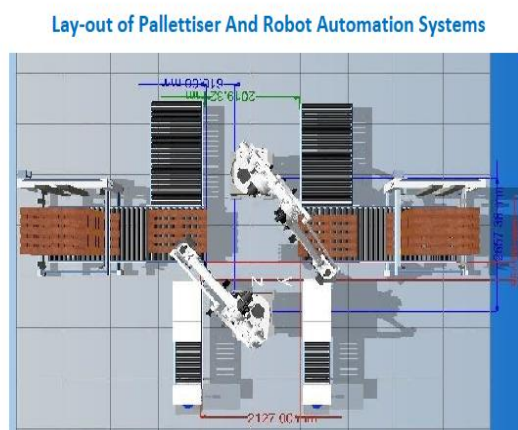
Old product arrangement style

Use labor to arrange products for 4 people / shift



New product arrangement format

Do not use labor to sort products.



Benefits from the Pallettizer And Robot Automation Systems Project

1. Reduce labor use, arrange products (from the original 4 people / shift to non-labor)
2. Reduce the cost of arranging products by 1,390,185 baht / year
3. Control the arrangement of products correctly according to GMP principles.

Calculate breakeven point

Break-even point = investment budget /
reduced cost
Breakeven point = 5,395,000 / 1,390,185
= 3.9 years

Compare the cost of arranging 2 products

Product alignment goals 3,510,000 sacks / year

Type 1 (old) 4 workers

- Contractor fee 3,510,000 x 0.5 = 1,755,000 baht / year
- Electric power = 43,945 baht / year
- Total expenses 1,798,945 baht / year

Type 2 (New) Automation

- Electric power = 175,500 baht / year
- Maintenance fee = 233,260 baht / year
- Total cost 408,760 baht / year

Reduce expenses 1,798,945 - 408,760 = 1,390,185 baht / year

*** Sorting goal is calculated from 65% of production capacity**



Sales and marketing: focus on increasing the efficiency of commercial operations And generate additional profit from normal operations Develop the potential of the team to be determined to seek ways to generate profits by brainstorming to create a sense of ownership. Increase problem solving skills Coordination between departments and work together as a team In order to achieve the goals set by the plan

Procurement: Focus on procurement management, procurement and service. Including creating, enhancing, improving the procurement work to have an attitude and performance efficiency To increase the bargaining power With clear consideration of ethics, transparency and fairness in operations Which helps to reduce the cost of purchasing products and services

Human Resource Management: Focus on managing human resources for maximum efficiency. Encourage employees to show their potential as much as possible. Can be more responsible for their work Reducing the amount of new employees



Social development

In 2018, the company supports the promotion of job creation. Create a career for the mentally disabled To provide opportunities for disabled people to participate in socializing with the workplace Have a good mental state and still have income to support themselves and their families With the evaluation of the project as follows

1. There are reports of work from agencies that disabled people are sent to every 6 months.
2. CSR team visits the disabled area to encourage and organize activities to promote relationships



Environmental

- Wall wall project to reduce noise pollution to the community

TS Flour Mill Public Company Limited is aware of the noise pollution problem caused by the company's production activities that have a negative effect on the daily life of the community. Therefore building a wall of soundproofing walls By focusing on Helps to reduce the noise level caused by the company's production activities. In order for the production activity to be a part of the community's lifestyle Which results from the construction of the soundproof wall, the company has measured the sound value caused by the production activity every year. By a reliable private company And is an agency registered with the Department of Factory

Industry to monitor and control the level of noise from production activities Not exceeding the standard value specified by the pollution control law And in order to prepare solutions to prevent noise problems caused by future production activities

Noise pollution management

TS Flour Mill Public Company Limited is aware of the noise pollution problem caused by the company's production activities. That affects the daily lives of nearby areas Therefore has measures to create sound barrier walls By focusing on helping to reduce the volume of noise that occurs The company has taken measures to monitor Annual environmental quality monitoring and measurement And using the standard criteria set by the law as the goal in carrying out the following important measures

1.1 Measures to create sound barrier walls To solve the noise pollution problem at the source



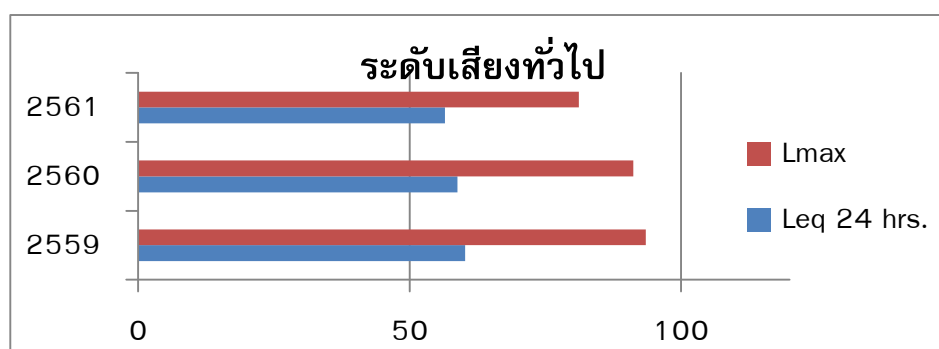
1.2 Monitoring and measuring general noise levels and noise levels

General sound level measurement: How to analyze Integrated Sound Level Meter

This dutch that measures	Measurement results						standard	
	Year 2016		Year 2017		Year 2018			
General noise level	Leq 24 hrs.	Lmax	Leq 24 hrs.	Lmax	Leq 24 hrs.	Lmax	Leq 24 hrs.	Lmax
	60.25	93.5	58.8	91.25	56.5	81.2	≤ 70	≤ 115

* According to the announcement of the Ministry of Industry Re: Determination of noise level, interference and noise level caused by factory operations in 2005

* Reference document for environmental quality measurement report for the year 2016-2018



Summary of general noise level measurements

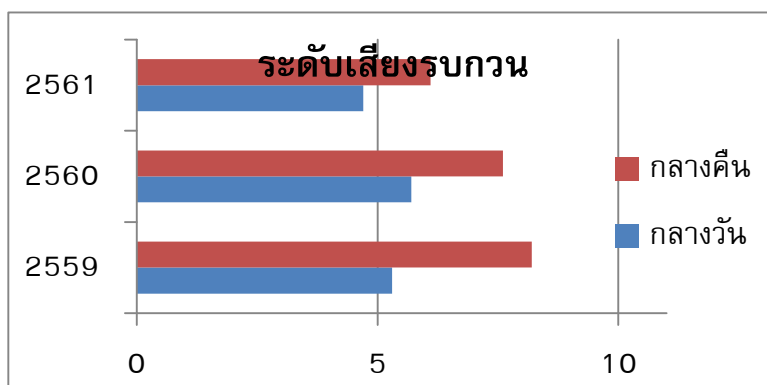
The results of general noise level measurements showed that in the past 3 years, the average noise level was measured 24 hours and the maximum volume level was within the standard set by the Ministry of Industry's announcement on setting the volume, noise and noise level. Caused by factory operations in 2005

Noise measurement: Analytical method Integrated Sound Level Meter

This dutch that measures	Measurement results						standard	
	Year 2016		Year 2017		Year 2018			
General noise level	day	Night	day	Night	day	Night	day	Night
	5.3	8.2	5.7	7.6	4.7	6.1	≤ 10	

* According to the announcement of the Ministry of Industry Re: Determination of noise level, interference and noise level caused by factory operations in 2005

* Reference document for environmental quality measurement report for the year 2016-2018



- Dust barrier project, rice loading, boat loading

The company is aware of the problem of dust pollution caused by the Company's rice hatchery activities. That affects the daily life of the community behind the Silo Phase 2, with concern for the respiratory health of employees and the community Therefore creating a dust barrier In order to focus on preventing dust from the rice hull of the company Diluted to decrease And to allow the company to receive the boat's rice Can be part of the life of the community As a result of the construction of the dust barrier panel, the company has measured the concentration of dust in the atmosphere caused by the receipt of the rice boat every year. By a reliable private company And is an agency registered with the Department of Industrial Works And checking the concentration of dust at the actual work condition By the Pollution Control Department In order to be a surveillance and control of the rice boat's receiving activities There is a concentration of dust in the atmosphere beyond the standards set by the pollution control law. For effective management and environmental protection

Air Pollution Management

From the production process of the company That may cause dust effects Which comes from the activities of receiving the boat. By passing the rice to the conveyor belt Or production process in the company factory Have implemented the management of dust problems according to the type of source With important dust mitigation measures as follows

- Create a beam structure to block dust during the rice reception. To prevent and to be a dust barrier not to affect the adjacent areas
- Check for leaks Dust leak According to the conveyor belt Including storage facilities



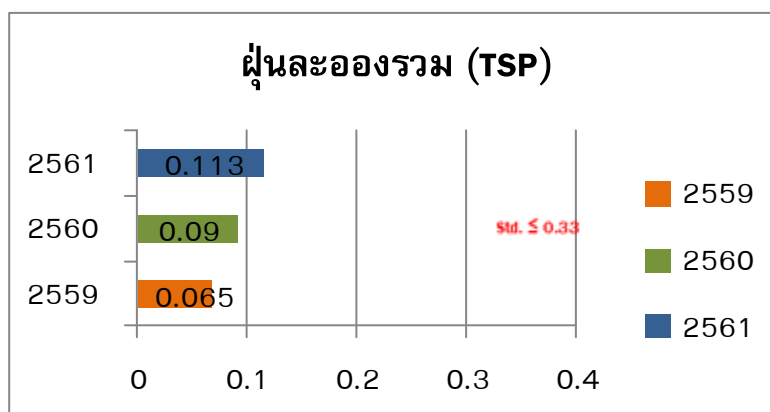
- Monitor and measure air quality in general atmosphere

Analytical methods of High-Volume Air Sampler Gravimetric Method

Measurement index	measurement unit	Measurement results			standard
		Year 2016	Year 2017	Year 2018	
Total dust (TSP)	KU / CM	0.065	0.090	0.113	≤ 0.33

* According to the announcement of the Ministry of Industry Re: Determination of noise level, interference and noise level caused by factory operations in 2005

* Reference document for environmental quality measurement report for the year 2016-2018



Summary of general air quality measurement results in the atmosphere

Results of general atmospheric air quality measurements showed that the total dust concentration (TSP) in 2016 was 0.065 mg / m³ in 2017, equal to 0.09 mg / m³ and the year 2018 was equal to 0.113 mg / m³, which is below the standard. When compared to the criteria set by the law According to the announcement of the National Environment Board No. 24 (BE 2547) regarding the determination of air quality standards in the atmosphere in general.



Measuring air quality in general atmosphere

- Energy saving projects and the reduction of greenhouse gas emissions

Environmental impact mitigation

The crisis and climate change are becoming more severe and frequent. Which can directly and indirectly affect the quality of life of people in society. As well as the continuity of business operations. As a result, the company tries to operate the business by taking into account the negative impact on the environment throughout the process and carrying out production activities that cause impacts. With the goal "Mitigate environmental impacts" in parallel with "reducing the use of resources effectively" to promote environmental quality and maintain an ecological balance in the area continuously and sustainably.

Management approach

The company is well aware of the efficient use of natural resources as an important cost in driving the economy and social development. The company has not stopped to evaluate and improve and develop the operation to use the limited resources for maximum benefit by cooperating in the whole organization. To raise the level of industry and society to grow together.

sustainably With an energy management working group Working group on environmental management Which has the highest executive as chairman of the working group To supervise and manage the policy Standard set By the company's goals Is to reduce the use of electrical resources along with the mitigation of global warming or efficient greenhouse gas emissions

Target for 2018

Implementing measures to reduce electricity consumption in 2018, which is a percentage reduction of electrical energy in 2017, equal to 2.50% in order to reduce the amount of greenhouse gas emissions in accordance with the actual electricity consumption reduction. By improving and improving the efficiency of the use of electrical energy to maximize benefits such as reducing the leakage point of the compressed air system 35 points. Changing the lamp High Sodium is a 42-point LED lamp to change the new electric motor. And reduce the air pressure from 9 bar to 8.5 bar etc.

Performance

The company can reduce electricity consumption. Which is a percentage reduction of energy consumption in 2017 that was originally used by 2.50% by reducing alongside greenhouse gas emissions Due to the continuous efforts to implement the project to reduce the use of electricity in the company with the following results

Energy saving results according to the energy reduction measures of 2018

Energy Reduction Measures, 2018	Decreased target percentage Of energy Year 2018	The actual percentage results Year 2018	Kilowatt / year Economical (kW / hr)	Think in money (baht)
1. Reduce leakage of compressed air systems The whole system 35 points	2.0	0.71	59,470.80	215,878.99
2. Change the lamp to 42 LED bulbs.	0.10	0.54	44,906.40	162,951.77
3. Change FAN motor, 6th floor New size 110 kW and high quality motor	0.10	0.70	58,794.90	213,348.93
4. Reduce the air pressure from the original 9.0 bar to 8.5 bar	0.30	0.55	46,425.90	168,526.01
รวม	2.50	2.50	209,575.00	760,484.41

Comparative results of energy conservation management in 2018

The comparison results are the energy units of the year 2018 that are economically compatible with energy consumption in 2017.

Total electricity consumption in 2017 8,383,000 kWh / year

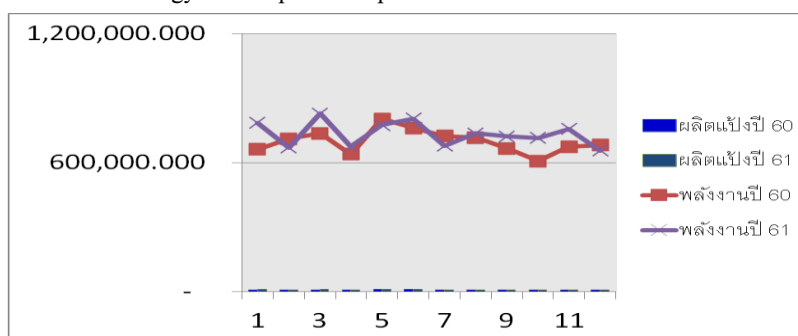
Total electricity consumption in 2018 8,807,000 kWh / year, total 2 years 17,190,000 kWh

The results of the reduction of electricity consumption, including 4 energy reduction measures

- can save 209,575 kWh / year, representing 760,484.41 baht / year

(Electricity cost 3.73 baht / kW), equivalent to 2.5 percent according to the target of 2.5 percent.

Energy consumption comparison chart for 2017 and 2018



Summary of energy conservation management in 2018

Summary of actual production results according to production capacity

Total electricity consumption in 2017 8,383,000 kWh / year

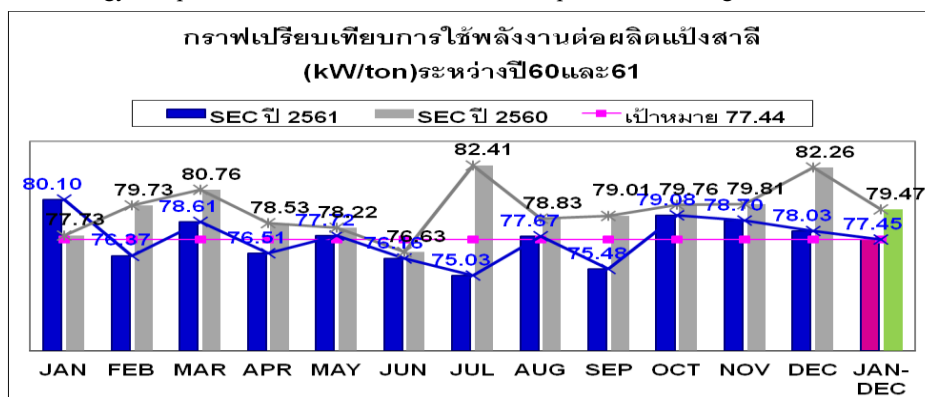
Total electricity consumption in 2018 8,807,000 kWh / year, total 2 years 17,190,000 kWh

The results of the reduction of electricity consumption, including 4 energy reduction measures

- can save electricity 424,000 kWh / year, accounting for 1,581,520 baht / year

(Electricity cost 3.73 baht / kW), equivalent to 2.5 percent according to the target of 2.5 percent.

Energy comparison chart for kW / ton wheat flour production during 2018 and 2017



Energy saving and greenhouse gas emissions data for 2016 - 2018

year	Electric power used (Kilowatt / hour)	Can reduce energy (Kilowatt / hour)	goal Set	goal That can	Greenhouse gas emissions (Tons / carbon dioxide equivalent)
2016	8,491,000	577,483.64	2.00%	7.42%	411.88
2017	8,383,000	226,459.44	2.04%	2.67%	406.65
2018	8,807,000	209,598.00	2.50%	2.50%	508.82

* Reference data from Energy Report 2016 – 2018

Annual Greenhouse Gas Emission Calculation Table 2018

Calculated from the amount of electricity used

(Tons of carbon dioxide equivalent)

Month	volume (Kilowatt-hour)	Factor (kgCO ₂ e / unit)	Greenhouse gas emissions (kgCO ₂ e / unit)	Greenhouse gas emissions (TonCO ₂ e / unit)
January	786,000	0.6933	544,933.80	544.93
February	670,000	0.6933	464,511.00	464.51
March	829,000	0.6933	574,745.70	574.75
April	675,000	0.6933	467,977.50	467.98
May	775,000	0.6933	537,307.50	537.31
June	805,000	0.6933	558,106.50	558.11
July	679,000	0.6933	470,750.70	470.75
August	737,000	0.6933	510,962.10	510.96
September	722,000	0.6933	500,562.60	500.56
October	715,000	0.6933	495,709.50	495.71
November	757,000	0.6933	524,828.10	524.83
December	657,000	0.6933	455,498.10	455.50
Total / Total	8,807,000		6,105,893.10	6,105.89
AVG / AVG	733,917		508,824.43	508.82

Reduced energy costs in 2018

Measures 1	59,470.80	Kilowatt / hour
Measures 2	44,906.40	Kilowatt / hour
Measures 1 3	58,794.90	Kilowatt / hour
Measures 4	46,425.90	Kilowatt / hour

209,598.00

$$\text{เป้าหมายอนุรักษ์พลังงาน} = \frac{\text{มาตรการที่ 1} + \text{มาตรการที่ 2} + \text{มาตรการที่ 3}}{\text{ปริมาณการใช้ไฟฟ้าปี 2560}} \times 100$$

Year 2018 Energy conservation target of 2.50%

Summary of goals

Can be reduced to equal 2.50%

• Water resource efficiency project

The company operates the food industry in the production of wheat flour. Which does not use water as the main factor in production But the company has given due importance to water resources as a basic requirement for the livelihoods of communities and populations in society or neighboring areas. As well as efficient waste water management Therefore, it is important that the company Must be supervised and controlled to deal with the waste water in accordance with public health principles Or according to local laws To reduce conflicts and access to water resources that must be shared in society And is something that will demonstrate the social responsibility of the business operation In the industrial sector

• Resource utilization project

The company encourages employees to reduce the amount of waste under the concept of 3 Rs as follows.

□ Reduce is to reduce the amount of waste that may occur, such as choosing to use products with large packaging instead of products with small packaging. The selection of products that have the least environmental impact, etc.

Use Reuse is a reuse or reuse, such as the use of packaging to be used to pack, use, or things, reuse paper bags or plastic bags.

Using both pages to print paper Using cloth bags to reduce global warming, etc.

□ Recycle to recycle waste By separating and collecting office waste that can be used for recycling such as glass, paper, plastic, steel and aluminum To sell to related operators

Participation in social and community development activities

The company supports and promotes social and community development. By encouraging employees to have a public mind And participation in community assistance and development And the surrounding society. In the year 2018, the company had various activities as follows.

On 13-14 January 2018, the National Children's Day event, 2018

At Punhungsan Navas School and Pu Chao Samingphrai Municipality



On 26 March 2018, the scholarship for good, poor education for the year 2018 at Punhungsan Navas School



Charity Running Event Together with the Federation of Thai Industries



Dr. Chankrit Dejvitak, Executive Vice President and Managing Director Donate money and help items

Flood victims From the Xe-Pian Dam, Nam Lek Subdistrict, Attapeu Province, Lao People's Democratic Republic



On 26 July 2018, the activity of Lent candle offering with the community for the year 2018 at Punhungsan Navas School



On September 10, 2018, activities were staged at the front area. Thai Sugar Terminal Plc.



• Operations and report preparation

- The company has prepared a single report together with the annual information form (56-1) and annual report (56-2).

• Business operations that affect social responsibility

- none -

• Activities for the benefit of society and the environment (After the process)

- Power Weave Project ... Turn over 13,000 cancer patients

In the year 2018, led by Dr.Charnkrit Dejvitak, president of the maiA listed company and as executive vice president and managing director of TS Flour Mill Public Company Limited) Went ahead with the project "Transforming the life of 13,000 cancer patients" to inspire understanding and plan for cancer treatment correctly. By organizing activities "Flip a new perspective To cope with cancer To exchange experiences Educating And providing advice on how to use cancer patients' turnbooks for the National Cancer Institute for distribution to cancer patients at 15 large government hospitals nationwide

The company realized the importance of providing knowledge and understanding in dealing with cancer. Inspiring patients and caregivers to have good encouragement in the fight Which creates and creates a great social impact

The company participated in supporting such activities. In the amount of 500,000 baht and support the team that is responsible for the CSR project of the company to be part of the activity in the area of granting the treatment notebook (Survivor Planner) in public and private hospitals in Bangkok and suburbs



Internal control and risk management

Risk management

Board of Directors Has established a risk management working group In the duty to consider and propose policies, plans and results of risk management operations to the Board of Directors By evaluating and analyzing risks both external and internal factors that may affect the business operations of the company With significant and up to date situations such as financial risks Operational risk Marketing and competition risk Strategic risk Risks from government policies Risk from debtor management Risk from property management Risks from relying on various factors, etc., to set measures and plans for risk management and risk reduction. Risk monitoring As well as assigning relevant agencies to regularly monitor and report that risk. To prevent damage that may occur to the company In the future and for that risk To be at an appropriate and acceptable level

The company has a strategic management management under good corporate governance. Risk management including good internal control Which is an important factor that makes the company Able to operate the business appropriately and efficiently Good internal control system management Considered as a management tool for the company's goals, which the company adheres to the guidelines in the internal control guidelines of the Committee of Sponsoring Organization of the Treadway Commission (COSO) which has been revised in 2018 to be applied in Administrative work Summarized as follows

Internal control

- The Board of Directors and the management have defined good ethics and business ethics. For the Board of Directors Management and employees are adhered to as guidelines. Board of Directors Consisting of the proportion of independent directors, 33.33% of the total number of directors Which is higher than the law Resulting in independence from the management in evaluating and making decisions in the internal control system effectively
- Board of Directors and Management Define the structure Supervision lines and responsibilities as appropriate and segregation of duties for internal control to meet the objectives
- Board of Directors and Management Recognizing and giving importance to employees, which is considered a valuable resource of the organization. The Company has promoted employee development. As well as considering compensation and benefits To employees appropriately
- The Board of Directors and the management have set up a corporate governance system. And good internal control system By having a unit that clearly supervises and is responsible

risk assessment

- The company analyzes and identifies risks that affect business operations. Determining how to respond to risks at the organizational level and activity level As well as evaluating and analyzing risks that have changed or are likely to occur in a timely manner Including risks that may cause fraud or improper actions
- The company has set clear objectives for the operation. Reporting information, both financial and non-financial information Which includes compliance with relevant laws and appropriate risk levels

In the year 2018, the company assessed risks from 16 departments, with a total of 70 risks. The risks were classified as follows.

- Very high risk level
- High risk level 7 risks
- Intermediate risk, 29 risks
- Low Risk Level 34 Risk

Risk level	meaning	
14 - 16		very high
12 - 8		high
6 - 4		middle
3 - 1		Low

However, a high risk control plan has been made. In the risk control plan of the year 2018, through the meeting of the Risk Management Working Group / meeting of the management team of the management And presented to the Audit Committee Board of Directors

Operation control

- The Company has organized internal control activities for the operation to reduce the risk that may occur to be at an acceptable level, including preventive control, including segregation of duties. Control of access to information and information In each level, giving the authority to perform work and trade items appropriately Physical control of the company's assets, etc.
- The Company has established a Business Continuous Plan which includes emergency situations that cannot be controlled. In order to ensure that the company will be able to continue its business if such events occur Board of Directors There is a policy to control the management system step by step through the operation manual of each department. And has approved the authority In order for the management of various aspects of the company to be able to operate consistently Which, taking into account the maximum benefit of the company, is important

Information and communication systems

- The company has implemented an effective information system. Both in terms of accuracy Complete and timely to support the operation of the company Including providing appropriate information for making business decisions As well as providing systematic and convenient data collection for searching information
- The company has various communication channels. From management to employees through electronic mail systems and central announcement boards To exchange information and knowledge between employees
- The company provides a website for the investor relations section.To be used as a channel to contact and clarify information to investors and have communication channels for stakeholders

Tracking system

The company has assigned the company Dharmniti Auditing Company Limited is an independent internal auditor of the company. And report directly to the Audit Committee Acts to examine and evaluate the efficiency and effectiveness of internal control systems, including information systems. To ensure Normal business operations and important financial activities of the company Have proceeded in accordance with the established guidelines and have sufficient efficiency

Including checking compliance with laws and regulations related to the company. In addition, the annual internal audit plan must be presented and approved by the Audit Committee. By using the audit criteria in accordance with the results of the risk assessment (Risk Based Audit Approach) and adhering to the audit guidelines in accordance with the internal control practices of the Committee of Sponsoring Organization of the Treadway Commission (COSO). Detected With progress in the revision of the business to the Audit Committee on a quarterly basis

The company has a legal department to supervise and review the operations to be in accordance with the law. Rules and regulations of relevant agencies As well as having operations in accordance with the operations manual of various departments by reporting to the Managing Director And the Audit Committee

In the year 2018, the Board of Directors evaluated the internal control system according to the guidelines of the Securities and Exchange Commission. The company has an effective and adequate internal control system.

Summary of the assessment of the adequacy of the internal control system for the year 2018

Concepts and objectives

Internal control assessment system adequacy model Is a tool for internal control management and internal control evaluation To help the Board of Directors determine whether Is the internal control system designed appropriately and adequately? How should the improvement be done?

Having a good internal control system is especially important for listed companies or companies that have people. Is a shareholder Which a good system can help prevent, manage, risk or damage that may occur to the company And those with good interests, therefore it is the duty of the Board of Directors to ensure that the Company There is an appropriate and sufficient internal control system to oversee the operation to be in accordance with the goals, objectives, laws, relevant regulations effectively. Can protect assets from corruption Including having accurate and reliable accounting reports

Adoption

The company should use this assessment as a guideline for assessing or reviewing the adequacy of the internal control system at least every year. And may be reviewed further if there are events that may affect the operations of the company Significantly Such assessment should be considered by the Audit Committee and the Board of Directors. In order to exchange ideas Have the same understanding And able to set guidelines that are suitable for the company

The internal control system consists of 5 topics:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and communication systems (Information & Communication)
5. Monitoring Activities

Conclusion The company has an appropriate internal control system. And sufficient to oversee the operation to be in accordance with the objectives, objectives, laws, relevant regulations effectively Is appropriate and sufficient



Related transactions

The Company has related transactions with related parties. The transaction is a normal business operation of the Company. For the approval process for related transactions, the Company has a policy to comply with the general business nature. Refer to the appropriate market price and market conditions. If it is a transaction that is not a normal business transaction or does not comply with general trading conditions, it must be submitted to the Board of Directors' meeting. For approval every time Directors with interests Individuals and related parties that may have conflicts or interests in making such transactions Will not have the right to vote in that matter And report to the Board of Directors To know later The transaction must be made to the maximum benefit of the company.

In considering the related transactions, there must be an audit committee to attend the meeting. To review, give opinions on the necessity, appropriateness and consideration of the price Compensation rate for that item Except in the case of a related party transaction that is a normal business transaction or in accordance with general trading conditions Executive Committee Or Chief Executive Officer Or high-level executives can approve the transaction in the scope of the specified authorization And in the event that the Audit Committee does not have expertise in considering the connected transactions that occur, the Company will arrange for a person with special expertise such as the auditor of the company. Or independent experts As the commentator on such related transactions The opinion of the Audit Committee or persons with special expertise will be used to make decisions of the Board of Directors. Or shareholders, as the case may be

In addition, the company Will disclose such related transactions in the notes to the financial statements that have been audited by the Company's auditor In this regard, the related transactions must comply with the Securities and Exchange Act, regulations, notifications, orders or requirements of the Securities and Exchange Commission and / or the Stock Exchange of Thailand. About the matter of entering into a connected transaction Or acquiring and selling Which the company assets are strictly Including compliance with regulations regarding disclosure of connected transactions and the acquisition or disposal of important assets of the Company

For entering into related party transactions that may occur in the future, the Company has procedures for approving transactions in accordance with the above mentioned measures. The Company has a policy to comply with the business nature of General trade Refer to the market price and appropriate marketing conditions in order to maximize the benefits for the company

Details of related transactions

By the resolution of the Board of Directors No. 2/2562 on February 28, 2019, the Audit Committee, which is an independent director, attended the meeting to review the related transactions for the period ended December 31, 2018 and as of December 31, 2017. Commented that the inter-transaction is a necessity in general business Various conditions Of related transactions with related persons during the said period is in accordance with the market price Contract price and agreed price Which is reasonable and in accordance with general business practices

The related transactions that occurred in the year 2018 ended on 31 December 2018 are as follows:

1. List of related companies and relationship characteristics

Company's Transaction	Type of business	Relationship
Thai Sugar Terminal Company Limited ("TSTE")	Doing business to transport products Rent warehouse And berth services	- TSTE is the parent company of the company By holding 98.82% of the company's shares directly before the share distribution After that, the shareholding ratio was reduced to 69.34% after the share distribution on November 19, 2012 and reduced to 68.857% after the increase in paid-up capital from the exercise of the newly issued ordinary shares of the warrants to purchase ordinary shares. Of the company in 2016-2018 - TSTE and TMILL have 8 common directors. Everyone of the company Except the Audit Committee and the Vice Chairman of the Executive Committee are also directors of TSTE
TSG Asset Co., Ltd. ("TSA")	Real estate rental business	Is a related company, which has a joint-venture company, TSTE and has common directors By all directors of the company With the exception of the audit committee being a director of TSA
TS Oil Industry Co., Ltd. ("TSO")	Palm oil refinery plant business	Is a related company, which has a joint-venture company, TSTE and has common directors By all directors of the company With the exception of the audit committee being a director of TSO
TS Transport and Logistics Co., Ltd. ("TSTL")	Doing business in sacking, shipping and security services	Is a related company, which has a joint-venture company, TSTE and has common directors By all directors of the company With the exception of the audit committee being a director of TSTL
TS Inventory CO., Ltd ("TS")	Operates a warehouse business	Is a related company, which has a joint-venture company, TSTE and has common directors By all directors of the company With the exception of the audit committee being a director of TS as well

2. 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 2018	Jan – Dec 2017	
TSTE	TMILL	The company leased 7,013 square meters of land from TSTE for use as the location of the company's factory and office building. With a rental rate of 50 baht / square meter or 350,650 baht per month. The lease term is 30 years, starting from August 1, 2010 to July 31, 2040, with the rental rate adjusted by 10% of the original rental rate. 5 years rental fee throughout the contract 162,328,740 baht, equivalent to a straight line rental of 5,410, 958 baht per year. When the lease is terminated, the company has a duty to deliver the land and buildings according to the condition that is on the date of completion Papandreou land lease Unless the contract party has to make an agreement on the building on another leased land, if the company wishes to extend the lease agreement Must have a written notice to TSTE at least 2 years in advance and TSTE agrees to grant the company the right Renting the said land for no more than 30 years, with both parties jointly determining the rental rate By considering the economic conditions at the agreed date	5.1	5.4	<p><u>Necessity of the transaction</u></p> <p>The company rented the said land. For use as the location of the company's factory and office building</p> <p><u>Reasonable price</u></p> <p>The rental price is based on the appraisal value of UK Valuation and Agency Company Limited, UK 2010/724, which was assessed on 11 September 2010.</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>
TSTE	TMILL	<p>The company rented warehouses from TSTE 2 warehouses, namely</p> <ol style="list-style-type: none"> 1. Warehouse 8, area of 1,650 square meters 2. Warehouse 9, area of 1,650 square meters <p>By both warehouses Approved for a 30-year lease agreement, starting from 1 April 2014</p>	4.9	4.9	<p><u>The importance of the least</u></p> <p>The company rented warehouse 9 for storage of finished goods and rented warehouse 8 for storing by-products or bran. The said</p>

Landlord	Tenant	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2018	Jan – Dec 2017	
		to 31 March 2044 at the rental rate of 85 baht per square meter or 280,500 baht per month, adjusting the rent by 15% of the original rental every 5 years. 147,325,320 baht, equivalent to a straight line rental of 4,910,844 baht per year			warehouse is located in the vicinity of the company's factory. Convenient to transport <u>Reasonable price</u> For the rental price is according to the market price Which may have some differences depending on the location and the condition of the warehouse <u>The opinion of Audit Committees</u> Audit Committees examine the least and think that the price, and conditions are sensible, reasonable.
TSTE	TMILL	The company rented a warehouse to set up a silo tank to store raw materials. The capacity is 40,000 tons. The warehouse is 30 warehouses, 2,800 square meters, which has been approved for a 30-year lease, starting from 1 April 2014 to 31 March 2044 at the rental rate. 85 baht per square meter or 238,000 baht per month, adjusting the rent by 15% of the original rental every 5 years. The rental fee throughout the contract is 125,003,640 baht, equivalent to a straight line rental of 4,166,788 baht per year.	4.2	4.2	<u>The importance of item</u> The company rented the said warehouse. To be used as a storage tank for storing silo storage tanks with a capacity of 40,000 tons. The warehouses have enough space to meet the needs and are located in the vicinity of most factories <u>Reasonable price</u> For the rental price is the same price that the companies in the group rent themselves And when compared to the price of the warehouse of third parties in

Landlord	Tenant	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2018	Jan – Dec 2017	
					<p>the same area and found that it was lower than the price of the third party warehouse rental</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>
TSTE	TMILL	<p>The company rented warehouses for 1 group of warehouses, ie warehouse 35, area 2,250 square meters, rental rate of 90 baht per square meter. The company paid rental fee of 202,500 baht per month, starting from 1 May 2017, the lease term is 3 months. 31 December 2017, if the company wishes to extend the lease agreement Must have a written notice to TSTE at least 1 month prior to maturity. TSTE has requested to adjust the rental rate to 100 baht per square meter from 1 January 2018. At present, the lease agreement has ended on 31 March 2018</p>	0.7	1.6	<p><u>The importance of the least</u></p> <p>The company rented the said warehouse. To use to store raw materials of the company In the event that the company There is not enough storage space. The said warehouse is located in the vicinity of the company's factory.</p> <p>Convenient to transport</p> <p><u>The price of the least</u></p> <p>For the rental price is the same price that the companies in the group rent themselves And when compared to the price of the warehouse of third parties in the same area and found that it was lower than the price of the third party warehouse rental</p>

Landlord	Tenant	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2018	Jan – Dec 2017	
					<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>
TSTE	TMILL	<p>The company rented a warehouse for 2 warehouses, which are warehouses 31 and 32, an area of 1,500 square meters per warehouse. The rental rate is 100 baht per square meter. The contract expires on December 31, 2017, if the company wishes to renew the lease. Must notify the TSTE not less than 1 month prior to the due date. TSTE has requested to adjust the rental rate to 150 baht per square meter starting from 1 April 2018. The current lease agreement has ended on 30 June 2018</p>	2.3	3.9	<p><u>The importance of the least</u></p> <p>The company rented the said warehouse. To use to store raw materials of the company</p> <p>In the event that the company has insufficient storage space, the said warehouse is located in the vicinity of the company's factory.</p> <p>Convenient to transport</p> <p><u>The price of the least</u></p> <p>For the rental price is the same price that the companies in the group rent themselves And when compared to the price of the warehouse of third parties in the same area and found that it is close to the third party warehouse rental price</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>

Landlord	Tenant	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2018	Jan – Dec 2017	
TSO	TMILL	<p>The company rented warehouses for the 1st bulk warehouse, namely Silo 2, with an area of 2,880 square meters. The rental rate is 100 baht per square meter. If the company wishes to extend the lease agreement Must have a letter informing TSO in advance at least 1 month prior to the expiration of the current lease contract for 6 months from 1 January 2018 and the contract has ended on 30 June 2018</p> <p>TSTE has requested to adjust the rental rate to 280-350 baht per square meter since July 1, 2018, which is a much higher rental fee.</p>	1.7	2.3	<p><u>The importance of the least</u></p> <p>The company rented the said warehouse. To use to store raw materials of the company</p> <p>In the event that the company There is not enough storage space. The said warehouse is located in the vicinity of the company's factory.</p> <p>Convenient to transport</p> <p><u>The price of the least</u></p> <p>For the rental price is the same price that the companies in the group rent themselves And when compared to the price of the warehouse of third parties in the same area and found that it was lower than the price of the third party warehouse rental</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>

3. 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 2018	Jan- Dec 2017	
TSTL	TMILL	The company has purchased packaging bags from TSTL for packing various types of flour. And wheat bran Which is the product of the company	7.0	14.3	<p><u>The importance of item</u></p> <p>The company has purchased packaging bags from TSTL for packing various types of flour. Which is the product of the company</p> <p><u>The reasons of price</u></p> <p>The company has held a tender for the sack every 6 months and purchased the sacks from the winner of the tender for the first quarter of this year. TSTL is selected. Because the price and conditions are most beneficial to the company, but quarter 3-4 / 2561, there are other manufacturers offering cheaper prices Therefore use only a small amount, do not use TSTL primarily</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>

Seller/ provider	Buyer / customer	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan- Dec 2018	Jan- Dec 2017	
TSTE	TMILL	The company has paid the expenses for the transfer of wheat, such as loader fees. Transfer service fee Weighing service fee, port charge, port fee, including electricity, water supply in the warehouse that the company Rent for storing wheat And the cost of using central roads	1.5	2.1	<p><u>The importance of item</u></p> <p>The company uses electricity services. And tap water in warehouses leased by the company to store wheat And use various services In moving wheat into silos Including the central road</p> <p><u>The reasons of price</u></p> <p>Meets the same conditions that TSTE does to unrelated individuals</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>
TS	TMILL	The company has rented a forklifts to be used to put down the flour in the warehouse instead of the company's forklift. Temporarily while waiting for repairs	0.02	0.1	<p><u>The importance of item</u></p> <p>The company rented a forklifts to be used to put down the flour in the warehouse instead of the company's elevator Temporarily while waiting for repairs</p> <p><u>The reasons of price</u></p> <p>According to the same conditions that TS does with unrelated persons</p>

Seller/ provider	Buyer / customer	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan- Dec 2018	Jan- Dec 2017	
					<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>

4. Dividend

Payee	Payer	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan-Dec 2018	Jan-Dec 2017	
TSTE	TMILL	The Company paid interim dividends from retained earnings as of June 30, 2018 in accordance with the resolution of the Board of Directors Meeting No. 10/2561 on October 25, 2018, at the amount of Baht 0.15 per share. TSTE holds 274,508,840 shares of the Company. Amount 41,176,326 baht	41.2	59.3	<p><u>The importance of item</u></p> <p>The company has a policy to pay a dividend of not less than 50% of net profit after legal reserve deduction.</p> <p>Except there is a need to use money to circulate or invest</p> <p><u>The reasons of price</u></p> <p>According to the dividend policy is not less than 50 percent of net profit</p> <p><u>The opinion of the Audit Committee</u></p> <p>According to the dividend policy is not less than 50 percent of net profit</p>

5. 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, 2018
TSTE	Deposit for rent of land and warehouse	1,738
	Other accrued expenses	22,266
	Accrued dividend	-
TSTL	Trade payables	132
TS	Other accrued expenses	-
TSO	Deposit paid for rent of warehouse	-

Reasonableness of the Related Party Transactions

According to the resolution of the Board of Directors' Meeting No. 2/2018 on February 22, 2018 where the Audit Committee who are independent directors have attended, it was opined that the related party transaction is necessary in the normal operation of business. Terms of the related party transactions are made according to the market price, contractual price and agreed price, which are reasonable and in the ordinary course of business.

Measures or Process for Related Party Transaction Approval

To prevent any conflict of interest arisen from the transaction, the related transaction between the company and a person with potential conflict of interest, which is neither in the normal course of business nor has normal term of trading must be presented to the Board of Directors' meeting for approval. Directors and persons with interest or potential conflict of interest in such transaction will not be entitled to vote on such matter and must report the Board of Directors accordingly. Such transaction must be entered for the maximum benefit to the Company. In considering such transaction, member of the Audit Committee must attend the meeting to provide opinion pertaining to the execution of such related party transaction, except if such related party transaction entered by the Company or related companies is made in the normal course of business or normal trading terms. In such case, the Managing Director or high executives management is authorized to approve the transaction according to the predetermined approval authority limit. The execution of related party transaction, however, must be in accordance with the Securities and Exchange Act, regulation, notification, order or the provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the related party transactions and the acquisition and disposal of the Company's asset in a strictly manner.

**Policy or Tendency of Related Party Transactions**

In entering into related party transaction in the future, the Company's procedures are as discussed earlier in order to maximize benefit to the Company. Accordingly, it is the Company's policy to undertake the transactions according to the normal course of business based on appropriate market price and conditions. The Audit Committee and/or Independent Director will be required to audit and provide opinion, taking into account pricing and return, on the necessity and appropriateness of the transactions. In relation to the execution of related party transactions in the future, the Board of Directors must comply with the Securities and Exchange Act, regulation, notification, order or the provision of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand concerning the disclosure of information of related transaction and the acquisition or disposal of assets.

However in case of the Audit Committee have no special skill for consideration related transaction which occurred, the Company will provide specialists such as auditor of the Company or independent expert provide opinion on such related transaction. The opinion of the Audit Committee or specialist will be applied to decision of the Board of Directors or shareholders. Moreover, the Company will be disclosed the related transaction in the note of financial statement have been audited by the auditors of the Company and its subsidiary.



Management Discussion and Analysis

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

The report of Auditors

1) Auditors

2016 Mr.Naris Saowalaksakul	Certified Public Accountant	No.5369	AMC Office Company Limited
2017 Miss Prapasi Leelasupa	Certified Public Accountant	No. 4664	AMC Office Company Limited
2018 Miss Prapasi Leelasupa	Certified Public Accountant	No. 4664	AMC Office Company Limited

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

2016 The auditors have audited the financial statements by an unqualified opinion.

2017 The auditors have audited the financial statements by an unqualified opinion.

2018 The auditors have audited the financial statements by an unqualified opinion.

**Income Statement**

List	Financial Statements						Statement of
	2016		2017		2018		Change
	Amount	%	Amount	%	Amount	%	%
Income							
Revenue from sales	1,338.8	99.2	1,303.3	99.8	1,399.8	99.6	7.4
Other incomes	10.7	0.8	2.8	0.2	5.7	0.4	99.4
Total eevenues	1,349.5	100.0	1,306.1	100.0	1,405.5	100.0	7.6
Operating expenses							
Cost of sales	1,140.5	84.5	1,030.9	78.9	1,131.9	80.5	9.8
Selling expense	31.0	2.3	30.6	2.3	31.8	2.3	3.7
Administrative expense	74.1	5.5	95.9	7.3	93.9	6.7	(2.1)
Total Expenses	1,245.6	92.3	1,157.4	88.6	1,257.5	89.5	8.6
Profit (Loss) before finance costs and income tax expense	103.9	7.7	148.7	11.4	147.9	10.5	(0.5)
Finance costs	16.4	1.2	15.3	1.2	13.4	1.0	(12.2)
Profit before income tax expense	87.6	6.5	133.4	10.2	134.5	9.6	0.8
Income tax expense	18.1	1.3	28.0	2.1	27.9	2.0	(0.1)
Profit (Loss) for the year	69.5	5.2	105.5	8.1	106.6	7.6	1.0
Earnings (loss) per share1	0.2032		0.3079		0.3014		(2.1)
Total authorized number of ordinary shares (1,000 Shares	342.1		342.6		353.7		0.0



Statement of Financial Position

Unit : Million Baht

List	Financial Statements						Statement of
	2016		2017				Change
	Amount	%	Amount	%	Amount	%	%
Assets							
Current assets							
Cash and cash equivalents	105.7	6.7	76.2	4.3	78.5	5.0	2.9
Trade receivables (Net)	180.1	11.5	169.9	9.6	176.4	11.2	3.8
Other receivables	1.2	0.1	3.8	0.2	2.7	0.2	(28.7)
Short-term loans to related parties	-	-	-	-	-	-	-
Temporary investments	-	-	-	-	-	-	-
Accrued compensation from the insurance company	-	-	-	-	-	-	-
Inventories	532.2	34.0	800.5	45.1	645.2	40.8	(19.4)
Other current assets	0.5	0.0	1.2	0.1	0.7	0.0	(35.5)
Total current assets	819.7	52.3	1,051.6	59.3	903.5	57.1	(14.1)
Non-current assets							
Long-term loans	-	-	-	-	-	-	-
Property, plant and equipment	742.8	47.4	717.5	40.5	674.3	42.6	(6.0)
Deferred tax assets	2.0	0.1	1.8	0.1	1.9	0.1	1.6
Other non-current assets	2.2	0.1	2.2	0.1	2.1	0.1	(3.0)
Total non-current assets	747.0	47.7	721.5	40.7	678.3	42.9	(6.0)
Total assets	1,566.7	100.0	1,773.1	100.0	1,581.8	100.0	(10.8)



Unit : Million Baht

List	Financial Statements						Statement of
	2016		2017		2018		Change
	Amount	%	Amount	%	Amount	%	%
Liabilities							
Current liabilities							
Short-term loans							
from financial institutions	382.8	24.4	595.7	33.6	423.7	26.8	(28.9)
Bank overdrafts	-	-	-	-	-	-	100.0
Trade payables							
Related parties	1.9	0.1	2.1	0.1	0.1	0.0	(93.8)
Others	314.8	20.1	263.3	14.8	85.5	5.4	(67.5)
Expenses payable	18.6	1.2	26.6	1.5	27.4	1.7	3.3
Income tax payable	10.2	0.7	11.2	0.6	14.2	0.9	26.4
Other current liabilities	13.9	0.9	21.2	1.2	19.3	1.2	(9.1)
Total current liabilities	742.2	47.4	920.1	51.9	570.2	36.0	(38.0)
Non-current liabilities							
Long-term loans from							
financial institutions	-	-	-	-	-	-	100.0
Employee benefit liabilities	0.7	0.0	0.8	0.0	1.9	0.1	126.0
Rent payable	15.0	1.0	18.6	1.0	22.3	1.4	19.5
Total non-current liabilities	15.7	1.0	19.4	1.1	24.1	1.5	24.1
Total liabilities	757.9	48.4	939.5	53.0	594.3	37.6	36.7



Unit : Million Baht

List	Financial Statements						Statement of Change
	2016		2017		2018		
	Amount	%	Amount	%	Amount	%	%
Shareholders' equity							
Authorized and paid-up share capital	342.2	21.8	344.7	19.4	398.7	25.2	15.7
Surplus on revaluation of property							
Surplus Exchange	281.6	18.0	284.0	16.0	338.0	21.4	19.0
Retained earnings							
Appropriated - Legal reserve	27.7	1.8	33.0	1.9	38.4	2.4	16.4
Unappropriated	157.2	10.0	171.9	9.7	212.4	13.4	23.6
Total shareholders' equity	808.8	51.6	833.6	47.0	987.5	62.4	18.5
Total liabilities and shareholders' equity							
	1,566.7	100.0	1,773.1	100.0	1,581.8	100.0	(10.8)

**Cash Flows**

Unit : Million Baht

List	Financial Satatements		
	2016	2017	2018
Cash flows from operating activities			
Profit before income tax expense	87.6	133.4	134.5
Adjustments for			
Doubtful (Reversal)	1.3	(1.8)	1.3
Depreciation	1.0	(1.0)	-
Allowance for decline in value of inventories	43.0	48.7	48.8
Unrealized gain (loss) on foreign currency exchange	(0.0)	0.2	0.1
Income compensation	(0.0)	0.5	(0.8)
Employee benefit expense	0.0	0.0	-
Profit from actuarial estimates.	0.1	0.1	0.4
Interest income	0.0	0.0	-
Interest expense	(0.4)	(0.2)	(0.1)
Profit provided by operating activities before	16.1	14.8	13.1
changes in operating assets and liabilities	148.6	194.8	197.3
Decrease (increase) in operating assets			
Trade and other receivables	17.0	9.3	(6.7)
Inventories	147.7	(267.3)	155.3
Other current assets	(0.1)	(0.7)	0.4
Other non-current assets	(0.0)	0.0	0.1
Increase (decrease) in operating liabilities			
Trade and other payables	273.2	(45.8)	(171.9)
Other current liabilities	(0.3)	7.0	(7.3)
Other non-current liabilities	0.0	(0.0)	(0.4)
Cash generated from the operations	3.6	3.6	3.6
Interest received	589.7	(99.1)	170.3
Interest expense	0.4	0.2	0.1
Income tax paid	(18.6)	(26.8)	(24.8)
Net cash provided (used) by operating activities	571.6	(125.7)	145.6



Unit : Million Baht

List	Financial Satatements		
	2016	2017	2018
Cash flows from investing activities			
Purchased of plant and equipments			
Cash paid for interest capitalized to cost of assets	(7.7)	(23.2)	(5.7)
Cash received from sale of plant and equipment	0.0	0.0	0.0
Cash paid for machines deposited	0.0	1.2	0.0
(Increase) Decrease in others non-current assets	0.0	0.0	0.0
Net cash used in investing activities	0.0	0.0	0.0
Cash flows from financing activities	(7.7)	(22.0)	(5.7)
Increase (Decrease) in short-term loans from financial institutions			
Proceeds from long-term debts	(447.9)	212.9	(172.0)
Acquisition in capital interests	(16.3)	(14.0)	(13.8)
Payments of finance lease	0.0	0.0	0.0
Payments of long-term loans	0.5	4.9	107.9
Dividends paid	0.0	0.0	0.0
Net cash received (used) in financing activities	(76.1)	0.0	0.0
Cash and cash equivalent items increase(decrease)-net	(54.7)	(85.6)	(59.8)
Cash and cash equivalent items at the beginning of the year	(594.5)	118.2	(137.7)
Cash and cash equivalent items at the end of the year	(30.7)	(29.5)	2.2
Cash and cash equivalents at the beginning of the year	136.4	105.7	76.2
Cash and cash equivalents at the end of the year	105.7	76.2	78

**Financial Ratio**

List	Unit	Financial Satatements		
		2016	2017	2018
Liquidity Ratio				
Current Ratio	Time	1.10	1.14	1.58
Quick Ratio	Time	0.39	0.26	0.45
Cash Flow Ratio	Time	0.64	NA	0.18
Accounts Receivable Turnover Ratio	Time	6.84	7.11	7.72
Average Collection Period Ratio	Day	52.61	50.65	46.63
Inventory Turnover Ratio	Time	1.88	1.55	1.57
Average Days Sales Ratio	Day	191.44	232.68	229.89
Payable Turnover Ratio	Time	6.19	3.54	6.45
Debt Repayment Period Ratio	Day	58.18	101.64	55.82
Cash Cycle	Day	185.86	181.70	220.70
Profitability Raito		14.82	20.90	19.14
Gross Profit Margin	%	6.96	11.19	10.16
Operating Income Margin	%	0.79	0.22	0.40
Others Profit Margin	%	595.50	NA	92.65
Cash Profit Margin	%	5.15	8.08	7.58
Net Profit Margin	%	8.68	12.85	11.71
Return on Equity Ratio	%			
Efficiency Raito		4.13	6.32	6.35
Return On Assets Ratio	%	14.77	21.12	22.33
Return On Fixed Assets Ratio	%	0.80	0.78	0.84
Assets Turnover Ratio	Time			
Financial Policy Raito		0.94	1.13	0.60
Debt to Net Worth	Time	36.01	NA	12.93
Interest Coverage Ratio	Time	0.95	1.34	0.55
Debt to Equity Ratio	Time	78.73	81.11	56.10
Price to Earning Ratio	%			
Per share data (Par value of Baht 1 per share)		2.36	2.46	2.48
Book value per share	Baht	0.2032	0.3079	0.3014



Management Discussion and Analysis

Performance

Results of operations and financial position of TS Flour Mills Co., Ltd. (Thailand) in 2018 can be summarized as follows.

- Revenue

For the year 2018, the company had sales revenue of 1,399.8 million baht, an increase of 7.4 percent from the previous year at 1,303.3 million baht. The sales volume of flour increased by 5.2 percent and the average selling price increased slightly. Other income was at 5.7 million baht, an increase of 2.8 million baht from the previous year. Has prevented the risk With other income equal to 0.4 percent of total revenue

- Costs and expenses

For the year 2018, the cost of wheat increased in proportion to the higher selling price of flour. Therefore resulting in the Company's cost of sales being at 1,131.9 million baht or 80.9 percent of sales revenue. Higher than the company's cost of sales In the previous year at 79.1 percent

In 2018, the company had selling expenses of 31.8 million baht or 2.3 percent of sales revenue. Decreased from the previous year which was at 2.4 percent, which is a similar amount

The company has administrative expenses of 93.9 million baht. Of administrative expenses consisting of Employee expenses Depreciation Utility Bills Land rental, warehouse rental and general maintenance Which, if accounted for the administrative expenses of the company Per sales revenue will be at 6.7 percent, down from the previous year Which is 7.4 percent, which is mainly due to the loss of exchange rate in 2017 and the tax increase which is a non-normal expense

- Profit

In 2018, the gross profit margin of the company At 19.1 percent, less than the gross profit margin of the company In the same period of the previous year which was at 20.9 percent due to the increase in raw material prices

The company had a net profit of 106.6 million baht in 2018. Compared to the same period of the previous year, the net profit increased by 1.1 million baht or 1.0 percent, with total sales revenue of 1,399.8 million baht, an increase of 7.4 percent. The sales volume of wheat flour increased by 5.2% from the previous year and the average price of wheat flour increased by 0.7%.

- assets

The company has total assets at the end of 2018, equal to 1,581.8 million baht, which is less than at the end of 2017, amounting to 191.3 million baht, representing a 10.8 percent decrease, primarily from reduced inventories.

**- Trade accounts receivable**

At the end of 2018, the company had net trade accounts receivable of 176.4 million baht, an increase of 3.8 percent from the end of 2017, which was 169.9 million baht. All trade accounts receivable of the company is an account receivable of unrelated businesses

The Company has assessed the allowance for doubtful accounts by analyzing the repayment history. And predictions about future debt repayment of each debtor that is expected to not receive payment for the year 2018. The Company has set up additional allowance for bad debts from customers in the amount of 1.6 million baht and the bad debt has been refunded in the amount 0.3 million baht

-Left in stock

At the end of 2018, the company had inventories of 645.2 million baht, a decrease from inventories at the end of 2017, which is 800.5 million baht, or 19.4 percent. 40.8 at the end of 2018 decreased from 45.1 percent at the end of 2017. At the end of 2018, most inventories were raw materials in stock and raw materials on the way. Which this significant reduction Due to the reserve of raw materials at the end of 2018, less than the end of 2017

-Building and equipment, net

The Company's office building, warehouse and silo phase 1 are located on the leased land. The term of the agreement is 30 years from 1 August 2010 to 31 July 2040. The Company's Phase 2 silo is located on the warehouse rental area 30 years of contract 30 Year from April 1, 2014 to March 31, 2044, which the company leases both areas from Thai Sugar Terminal Public Company Limited ("TSST"). Company Mainly consisting of machinery, factory buildings, factory equipment, lab equipment and vehicles

At the end of 2018, the company had fixed assets of 674.3 million baht, equivalent to the total assets of the company. At 42.6 percent, mainly consisting of machinery and equipment Factory buildings and building improvements Public utility system Furniture and office equipment and vehicles

-Performance ratio

The Company has a return on assets and fixed assets in 2018 at 6.35% and 22.33%, respectively, which is higher than in 2017 because of the main reason from higher operating results.

In 2017-2018, the company had asset turnover rate of 0.78 and 0.84 times, respectively.

Liquidity and sources of funds of the company**Cash flow**

In the year 2018, the Company had net cash flow from operating activities of 131.8 million baht, with the main item being the profit before corporate income tax of 134.5 million baht, which, when adjusted with items such as depreciation and interest expenses already paid Gained operating profit before changes in operating assets and liabilities at 197.3 million baht. In addition, there was an increase in trade receivables of 6.7 million baht, a decrease in inventories of 155.3 million baht and a decrease in creditors. Trade amount 171.9 million baht, most of which are foreign trade creditors By the list of foreign trade creditors of the company Will occur while the supplier of the material to the company Has brought the material up to the ship, depending on the Bill of Lading still not coming to the company

The company has cash flow in investing activities of 5.7 million baht, which is the purchase of fixed assets.

The company has cash flow paid in financing activities equal to 123.8 million baht, which is the payment of short-term loans. From financial institutions to pay for wheat, which is the main raw material for production, amounting to 172.0 million baht, received from the conversion of rights to purchase ordinary shares in the amount of 107.9 million baht and the dividend payment of 59.8 million baht

Liquidity ratio

The increase in the liquidity ratio in 2018 from 2017 is due to the decrease in current assets. In proportion to less than current liabilities The current assets at the end of 2018 increased by 14.1 percent from the end of 2017, mainly due to the decrease in inventories. Current liabilities at the end of 2018 decreased by 38.0 percent from the end of 2017, mainly due to a decrease in short-term loans from financial institutions and other creditors.

- liabilities

At the end of 2018 and 2017, the Company had total liabilities of 594.3 million baht and 939.5 million baht respectively. The reduction of total liabilities in 2018 was mainly due to the reduction of short-term loans from financial institutions to pay for raw materials.

The main liabilities of the company Which is interest-bearing liabilities. At the end of 2018, the company had interest-bearing liabilities of 423.7 million baht, equivalent to 0.43 times the equity of the company, decreased from the end of 2017, which is 0.71. While capital from shareholders equals to 987.5 million baht and 833.6 million baht at the end of 2018 and 2017, respectively

- Shareholders' equity

At the end of 2018, the company had total shareholders' equity of 987.5 million baht, an increase of 153.9 million baht from the end of 2017, resulting from the comprehensive income of 105.8 million baht. The paid-up capital increased to 107.9 million baht and dividend payment 59.8. Million baht



- Capital structure

Debt to equity ratio at the end of 2018 and 2017 is 0.60 times and 1.13 times, respectively. The decrease in debt to equity ratio at the end of 2018 is mainly due to the decrease of Short-term loans from financial institutions And other creditors, resulting in a 36.7 percent decrease in total liabilities, while shareholders' equity increased by 18.5 percent compared to 2017

13.6) Remuneration for auditors

The company has the audit fee in 2018 in the amount of 710,000.00 baht and has other service fees. In the amount of 60,000.00 baht, equal to 2017



Report of the committees responsibility in doing financial (2018)

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, 2017 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, 2018.

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.

Prapas Chutimaworaphan
(Mr.Prapas Chutimaworaphan)
Executive Chairman

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



Part II

T S Flour Mill Public Company Limited

Financial Statement

For the Year's Ended 2018

AUDITOR'S REPORT

To the Shareholders of T S FLOUR MILL PUBLIC COMPANY LIMITED

Opinion

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, 2018, and statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to financial statements and a summary of significant accounting policies and other explanatory notes.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T S FLOUR MILL PUBLIC COMPANY LIMITED as at December 31, 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. Allowance for doubtful accounts

As at December 31, 2018, The Company's trade and other receivables in the amount of Baht 179.14 million and allowance for doubtful accounts in the amount of Baht 6.13 million as in note to financial statement No.6. Trade and other receivables were shown at cost net of allowance for doubtful accounts, which the management had to exercise the appropriate judgment in determining the allowance for doubtful accounts. The receivables were expected to be paid based on payment historing, aging overdue, the payments after the reporting period, the dunning results, the legal proceeding results and the debtor's ability to pay off debt the reporting period which were expected to occur.

How my audit addressed the key audit matter

I had been convinced about the appropriateness of the assumptions the management used to calculate the allowance for doubtful accounts by testing the calculation of the accounts receivable analysis aging report, by inquiring the management and checking of relevant documents, by considering the causes of debtors behind in payment, by the results of dunning and related legal proceedings, by examining payment received after the reporting period, by examining the comparison between risks of a number of receivables not paying off and the Company recorded an allowance for doubtful whether it was appropriate.

2. Revenue recognition

Revenue from sales of goods is the Company's significant accounts because the amounts of revenue recorded would directly affect the Company's profit or loss for the year. There are therefore risks with respect to the amount and timing of revenue recognition. For this reason, I have paid particular attention to the Company's recognition revenue from sales of goods in order to ensure that the revenues are recorded correctly and in accordance with the relevant financial reporting standards.

How my audit addressed the key audit matter

I have examined the Company's revenue recognition by evaluating the effectiveness of the Company's internal controls with respect to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes issued by the Company to its customers after the period-end and performed analytical review procedures on the sales account to identify possible irregularities in sales transactions throughout the period.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also :-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is

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

(Miss Praphasri Leelasupha)

Certified Public Accountant Registration No. 4664

Bangkok,

February 28, 2019

T S FLOUR MILL PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITIONS

As at December 31, 2018

(Unit : Baht)

	Notes	2018	2017
<u>Assets</u>			
Current assets			
Cash and cash equivalent items	5	78,450,570	76,235,941
Trade and other receivables	6	179,144,232	173,758,373
Inventories	7	645,206,019	800,471,112
Other current assets		744,540	1,154,444
Total current assets		903,545,361	1,051,619,870
Non-current assets			
Plant and equipment	8	674,319,318	717,519,242
Deferred tax assets	9	1,858,559	1,829,347
Other non-current assets		2,097,256	2,162,869
Total non-current assets		678,275,133	721,511,458
Total assets		1,581,820,494	1,773,131,328

These financial statements have been approved by the Annual General Shareholders' Meeting No. 1/2019 held on April 25, 2019

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mr.Chamkrij Dejvitak)

Executive Vice Chairman & Managing Director

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, 2018

(Unit : Baht)

	Notes	2018	2017
<u>Liabilities and shareholders' equity</u>			
Current liabilities			
Short-term loans from financial institutions	11	423,689,423	595,654,160
Trade and other payables	12	125,000,723	298,542,730
Accrued income tax payable		14,151,181	11,199,685
Other current liabilities		7,374,165	14,687,069
Total current liabilities		570,215,492	920,083,644
Non-current liabilities			
Employee benefit obligations	13	1,867,866	826,594
Other non-current liabilities	4.1	22,253,167	18,615,158
Total non-current liabilities		24,121,033	19,441,752
Total liabilities		594,336,525	939,525,396

These financial statements have been approved by the Annual General Shareholders' Meeting No. 1/2019 held on April 25, 2019

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mr.Charnkrij Dejvitak)

Executive Vice Chairman & Managing Director

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, 2018

		(Unit : Baht)	
	Notes	2018	2017
Shareholders' equity			
Share capital	14		
Authorized share capital			
399,000,000 ordinary shares @ Baht 1.00 each		399,000,000	399,000,000
Issued and paid-up share capital			
398,664,061 ordinary shares @ Baht 1.00 each		398,664,061	-
344,706,426 ordinary shares @ Baht 1.00 each		-	344,706,426
Premiums on ordinary shares	14 and 15	337,984,655	284,027,020
Retained earnings			
Appropriated			
Legal reserve	15	38,400,000	33,000,000
Unappropriated		212,435,253	171,872,486
Total shareholders' equity		987,483,969	833,605,932
Total liabilities and shareholders' equity		1,581,820,494	1,773,131,328

These financial statements have been approved by the Annual General Shareholders' Meeting No. 1/2019 held on April 25, 2019

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mr.Charnkrij Dejvitak)

Executive Vice Chairman & Managing Director

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, 2018

		(Unit : Baht)	
	Notes	2018	2017
Revenue from sales		1,399,788,607	1,303,295,638
Cost of sales	7	(1,131,925,951)	(1,030,933,500)
Gross profit		267,862,656	272,362,138
Other income		5,681,697	2,849,067
Selling expenses		(31,769,286)	(30,638,284)
Administrative expenses		(93,850,247)	(95,875,923)
Finance cost		(13,392,728)	(15,255,079)
Profit before income tax		134,532,092	133,441,919
Income tax expenses	19	(27,936,644)	(27,952,577)
Profit for the year		106,595,448	105,489,342
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial losses arising from defined benefit plan	13	(1,041,377)	-
Income tax relevance with other comprehensive income	19	208,275	-
Other comprehensive income for the years-net of tax		(833,102)	-
Total comprehensive income for the years		105,762,346	105,489,342
Earnings per share	20		
Basic earning per share		0.30	0.31
Diluted earning per share		0.30	0.28

.....
(Mr.Narong Chenlapwatanakul)
Executive Director

.....
(Mr.Chamkrij Dejvitak)
Executive Vice Chairman & Managing Director

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, 2018

(Unit : Baht)

		Issued and paid-up share capital	Premiums on share capital	Retained Earnings		Total
	Notes			Appropriated legal reserve	Unappropriated	shareholders' equity
Balance as at January 1, 2017		342,246,156	281,566,750	27,700,000	157,247,044	808,759,950
Profit for the year		-	-	-	105,489,342	105,489,342
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the years		-	-	-	105,489,342	105,489,342
Increased ordinary shares	14 and 15	2,460,270	2,460,270	-	-	4,920,540
Appropriated legal reserve	15	-	-	5,300,000	(5,300,000)	-
Dividend paid	16	-	-	-	(85,563,900)	(85,563,900)
Balances as at December 31, 2017		344,706,426	284,027,020	33,000,000	171,872,486	833,605,932
Profit for the year		-	-	-	106,595,448	106,595,448
Other comprehensive income		-	-	-	(833,102)	(833,102)
Total comprehensive income for the years		-	-	-	105,762,346	105,762,346
Increased ordinary shares	14 and 15	53,957,635	53,957,635	-	-	107,915,270
Appropriated legal reserve	15	-	-	5,400,000	(5,400,000)	-
Dividend paid	16	-	-	-	(59,799,579)	(59,799,579)
Balances as at December 31, 2018		398,664,061	337,984,655	38,400,000	212,435,253	987,483,969

(Mr.Narong Chenlapwatanakul)

Executive Director

(Mr.Charnkrij Dejvitak)

Executive Vice Chairman & Managing Director

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, 2018

	(Unit : Baht)	
	2018	2017
Cash flow from operating activities		
Profit before income tax	134,532,092	133,441,919
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities :		
Doubtful accounts (reversal)	1,327,002	(1,756,474)
Reversal of decline in the value of inventories	-	(991,614)
Depreciation	48,835,069	48,711,315
Loss from disposed/written-off fixed assets	93,799	221,583
Unrealized (gain) loss on exchange rate	(834,169)	485,040
Employee benefits expenses	371,382	142,338
Interest income	(132,424)	(234,869)
Interest expenses	13,067,782	14,763,786
Profit from operation before changes in operating assets and liabilities	197,260,533	194,783,024
Operating assets (increase) decrease		
Trade and other receivables	(6,713,434)	9,293,623
Inventories	155,265,093	(267,291,979)
Other current assets	409,904	(667,523)
Other non-current assets	65,613	3,285
Operating liabilities increase (decrease)		
Trade and other payables	(171,949,576)	(45,847,967)
Other current liabilities	(7,312,904)	6,992,115
Employee benefits obligations	(371,487)	(49,555)
Other non-current liabilities	3,638,009	3,638,010
Cash received (paid) from operating activities	170,291,751	(99,146,967)
Interest received	132,997	236,953
Income tax paid	(24,806,085)	(26,804,603)
Net cash received from (used in) operating activities	145,618,663	(125,714,617)

(Mr.Narong Chenlapwatanakul)

Executive Director

(Mr.Charnkrij Dejvitak)

Executive Vice Chairman & Managing Director

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, 2018

		(Unit : Baht)	
	Note	2018	2017
Cash flow from investing activities			
Cash paid for assets purchased		(5,755,379)	(23,172,971)
Cash received from sale of plant and equipment		26,435	1,205,000
Net cash used in investing activities		(5,728,944)	(21,967,971)
Cash flow from financing activities			
Increase (Decrease) in short-term loan from financial institutions		(171,964,737)	212,861,237
Interest paid		(13,826,044)	(14,023,235)
Cash received from increased ordinary shares		107,915,270	4,920,540
Dividend paid		(59,799,579)	(85,563,900)
Net cash received from (used in) financing activities		(137,675,090)	118,194,642
Cash and cash equivalent items increase (decrease)-net		2,214,629	(29,487,946)
Cash and cash equivalent items at the beginning of the year		76,235,941	105,723,887
Cash and cash equivalent items at the end of the year	5	78,450,570	76,235,941

Additional disclosure :

Items not affecting cash flow are as follows :-

- Purchase plant and equipment by credit	-	1,641,701
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.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mr.Charnkrij Dejvitak)

Executive Vice Chairman & Managing Director

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, 2018

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 68.86% 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 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) including guidance promulgated issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

2.3.2 Financial reporting standard that will become effective in the future

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, 2019 and 2020. 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>	<u>Effective date</u>
<u>Thai Accounting Standards (TAS)</u>		
TAS 32	Financial Instruments: Presentation	January 1, 2020
<u>Thai Financial Reporting Standards (TFRS)</u>		
TFRS 1	First-time Adoption of Thai Financial Reporting Standards	January 1, 2019
TFRS 7	Financial Instruments: Disclosures	January 1, 2020
TFRS 9	Financial Instruments	January 1, 2020
TFRS 15	Revenue from Contracts with Customers	January 1, 2019
<u>Thai Financial Reporting Interpretations (TFRIC)</u>		
TFRIC 16	Hedges of a Net Investment in a Foreign Operation	January 1, 2020
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	January 1, 2020

The management of the Company is in the process to assess the impact of this financial reporting standard to the financial statements in the year when it is adopted.

- 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 : 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 estimated contingent damage.

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

3. Summary of significant accounting policies

- 3.1 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.
- 3.2 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.

- 3.3 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.

- 3.4 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	7-12	years

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

- 3.5 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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- 3.6 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.

- 3.7 Trade and other accounts payable are shown at cost.
- 3.8 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.
- 3.9 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.

3.10 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.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment.

- 3.11 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.

3.12 Revenues recognition excludes value added taxes and present net off trade discounts with the following policies: -

3.12.1 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.

3.12.2 Revenues from interest received are recognized according to the related period.

3.12.3 Other revenues are recognized by accrual basis.

3.13 Expenses recognition are as follows :-

3.13.1 Payments made under operating leases are recognized on a straight-line basis over the term of the lease.

3.13.2 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.

3.13.3 Other expenses are recognized by accrual basis.

3.14 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 settled.

The Company recognizes 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 reviews and reduces 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.

3.15 Earning per share

3.15.1 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.

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

3.16 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.

- 3.17 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.
- 3.18 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
- 3.19 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 of loss when the contracts are settled or contractual terms are expired.

3.20 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 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.

4. 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 :-

4.1 Inter-assets and liabilities

	(Unit : Baht)	
<u>Type of items/company name</u>	<u>2018</u>	<u>2017</u>
- Deposit payment-included in trade and other receivables		
Parent company	-	1,005,000
Related company	-	576,000
Total	-	1,581,000
- Deposit payment-included in other non-current assets		
Parent company	1,738,300	1,738,300
- Trade payable		
Related company	131,803	2,138,245
- Other accrued expenses		
Parent company	13,245	23,376
- Other non-current liabilities		
Parent company	22,253,167	18,615,158

4.2 Inter-revenues and inter-expenses

- Inter-revenues and inter-expenses for the years ended December 31, 2018 and 2017

	(Unit : Baht)	
<u>Type of items/company name</u>	<u>2018</u>	<u>2017</u>
- Expenses of land rental		
Parent company	5,410,958	5,410,958
- Expenses of warehouse rental		
Parent company	12,002,632	11,597,632
- Expenses of silo rental		
Related company	1,728,000	2,304,000
- Packing expenses		
Related company	6,997,170	14,264,470
- Other expenses		
Parent company	1,460,800	2,146,650
Related company	21,000	110,400
Total	<u>1,481,800</u>	<u>2,257,050</u>
- Dividend paid		
Parent company	41,176,326	59,289,930
- Directors' and important management's remuneration		
Short-term benefits	37,321,833	33,314,449
Post-employment benefits	238,611	204,753
Total	<u>37,560,444</u>	<u>33,519,202</u>

Pricing Policies

- 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 paid deposit for rental guarantee at double amount of monthly rental fee for every 5-year lease period and the initial deposit of Baht 701,300 has been made. When the lease contract expires and the lessee wish to renew the lease contract, the lessee shall inform the lessor at least 2 years before the expiration of the contact period and the lesser agrees to renew the leasehold right to the lessee to lease not more than 30 years. When the lease agreement has been terminated, the lessee shall surrender the land with existing construction (if any) as at the expiration date 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 double amount of monthly rental fee for every 5-year lease period and the initial deposit of Baht 1,037,000 has been made. When the lease contract expires and the lessee wish to renew the lease contract, the lessee shall inform the lessor at least 2 years before the expiration of the contract period.
 - 3) A warehouse and silo lease agreement to store raw materials according to the terms of the lease which the period of rental not over 12 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.

4.3 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 68.86%
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

5. Cash and cash equivalent items

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Cash	20,000	20,000
Bank deposit of saving account	32,968,687	36,110,300
Bank deposit of current account	44,437,279	39,498,161
Cheque on hand	1,024,604	607,480
Total	<u>78,450,570</u>	<u>76,235,941</u>

6. Trade and other receivables

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Trade accounts receivable	182,529,668	177,184,526
<u>Less</u> Allowance for doubtful debts	<u>(6,129,843)</u>	<u>(7,273,598)</u>
Trade accounts receivable	176,399,825	169,910,928
Prepaid expenses	663,606	2,007,737
Deposits for related parties	-	1,581,000
Deposits for other parties	2,045,520	-
Others	35,281	258,708
Total	<u>179,144,232</u>	<u>173,758,373</u>

Aging analyses for trade accounts receivable were as follows :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Domestic trade accounts receivable		
Not yet due	110,202,626	109,480,316
Overdue not over 3 months	66,165,199	60,430,612
Overdue not over 6 months	-	-
Overdue not over 12 months	1,644,002	-
Overdue over 12 months	4,517,841	7,273,598
Total	182,529,668	177,184,526
<u>Less</u> Allowance for doubtful debts	(6,129,843)	(7,273,598)
Net	176,399,825	169,910,928

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, 2018 and 2017 as follows: -

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Beginning balance as at January 1,	7,273,598	9,044,072
<u>Plus</u> Allowance for doubtful debts	1,612,002	6,000
<u>Less</u> Reversal of allowance for doubtful debts	(285,000)	(1,762,474)
Written-off doubtful debts	(2,470,757)	(14,000)
Ending balance as at December 31,	6,129,843	7,273,598

7. Inventories

Consisted of: -

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Raw materials	403,819,754	503,520,054
Work in process	14,679,884	13,535,774
Finished goods	8,645,462	7,270,148
Supplies	1,227,490	1,141,724
Raw materials in transit	214,322,007	271,470,498
Spare parts and factory supplies	2,511,422	3,532,914
Total	<u>645,206,019</u>	<u>800,471,112</u>

The Company has movements in transactions of allowance for decline in value of inventories for the years ended December 31, 2018 and 2017 as follows: -

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Beginning balance as at January 1,	-	991,614
<u>Less</u> Reversal of allowance for decline in value of inventories	-	(991,614)
Ending balance as at December 31,	<u>-</u>	<u>-</u>

Cost of inventory record as expense and include in the cost of good sold for the years ended December 31, 2018 and 2017 were as follow :-

	(Unit : Baht)	
	<u>For the years ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Cost of goods sold	1,131,925,951	1,031,925,114
Reversal of loss for declining in value of inventories	-	(991,614)
Net	<u>1,131,925,951</u>	<u>1,030,933,500</u>

8. Plant and equipment

Consisted of: -

	(Unit : Baht)						
	Building and Building improvement	Machine and equipment	Utilities	Furniture and office equipment	Vehicles	Work in construction	Total
Cost :-							
As at January 1, 2017	198,072,340	708,825,001	52,824,547	14,984,032	24,271,217	659,401	999,636,538
Purchase	1,691,975	5,158,406	611,836	1,808,712	12,642,799	2,900,944	24,814,672
Transfer in	-	-	-	102,687	752,857	-	855,544
Disposal/Written off	-	(44,660)	(4,280)	(228,721)	(3,971,963)	-	(4,249,624)
Transfer out	-	-	-	-	-	(855,544)	(855,544)
As at December 31, 2017	199,764,315	713,938,747	53,432,103	16,666,710	33,694,910	2,704,801	1,020,201,586
Purchase	-	1,576,124	240,000	353,855	745,200	2,840,200	5,755,379
Transfer in	-	5,545,001	-	-	-	-	5,545,001
Disposal/Written off	-	(228,934)	(220,500)	(263,467)	(468,000)	-	(1,180,901)
Transfer out	-	-	-	-	-	(5,545,001)	(5,545,001)
As at December 31, 2018	199,764,315	720,830,938	53,451,603	16,757,098	33,972,110	-	1,024,776,064
Accumulated Depreciation :-							
As at January 1, 2017	(42,083,600)	(172,829,619)	(17,286,933)	(11,110,000)	(13,483,918)	-	(256,794,070)
Depreciation for the year	(7,068,400)	(35,330,765)	(2,735,289)	(1,819,704)	(1,757,157)	-	(48,711,315)
Disposal/Written off	-	42,841	355	220,829	2,559,016	-	2,823,041
As at December 31, 2017	(49,152,000)	(208,117,543)	(20,021,867)	(12,708,875)	(12,682,059)	-	(302,682,344)
Depreciation for the year	(7,070,688)	(35,543,110)	(2,812,961)	(1,323,228)	(2,085,082)	-	(48,835,069)
Disposal/Written off	-	221,542	127,513	258,587	453,025	-	1,060,667
As at December 31, 2018	(56,222,688)	(243,439,111)	(22,707,315)	(13,773,516)	(14,314,116)	-	(350,456,746)
Net Book Value :-							
As at December 31, 2017	150,612,315	505,821,204	33,410,236	3,957,835	21,012,851	2,704,801	717,519,242
As at December 31, 2018	143,541,627	477,391,827	30,744,288	2,983,582	19,657,995	-	647,319,318
Depreciation was shown in profit or loss for the year							
Ended December 31, 2017							48,711,315
Ended December 31, 2018							48,835,069

As at December 31, 2018 and 2017, the Company's wheat flour factory building and machines with the book value of Baht 586.96 million and Baht 608.39 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.10.

As at December 31, 2018 and 2017, the Company's assets were fully depreciated but still in use at cost values of Baht 19.77 million, book value of Baht 1,759.50 and cost values of Baht 15.13 million, book value of Baht 1,634.45 respectively.

As at December 31, 2018 and 2017, the Company's building and construction in progress of factory building with the book value of Baht 233.91 million and Baht 244.98 million respectively, were constructed on the land leased from the parent company, as detailed in the notes to financial statements No. 4.2.

9. Deferred tax assets

Deferred tax assets and liabilities as at December 31, 2018 and 2017 were as follows :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Deferred tax assets	6,050,175	5,638,200
Deferred tax liabilities	(4,191,616)	(3,808,853)
Net	<u>1,858,559</u>	<u>1,829,347</u>

Movements in total deferred tax assets for the years ended December 31, 2018 and 2017 were as follows :-

	(Unit : Baht)						
	For the year ended December 31, 2017			For the year ended December 31, 2018			
	As at January 1, 2017	(Charged) / credited to profit or loss (Note 19)	As at December 31, 2017	As at January 1, 2018	(Charged) / credited to profit or loss (Note 19)	(Charged) / credited to other comprehensive income (Note 19)	As at December 31, 2018
Deferred tax assets							
Trade accounts receivable							
(Allowance for doubtful debts)	1,808,814	(354,094)	1,454,720	1,454,720	(228,751)	-	1,225,969
Inventories	198,323	(198,323)	-	-	-	-	-
Provision of litigation	226,219	68,911	295,130	295,130	(295,130)	-	-
Employee benefit obligations	146,762	18,557	165,319	165,319	(21)	208,275	373,573
Non current liabilities	2,995,430	727,601	3,723,031	3,723,031	727,602	-	4,450,633
Total	5,375,548	262,652	5,638,200	5,638,200	203,700	208,275	6,050,175
Deferred tax liabilities							
Plant and equipment	(3,386,548)	(422,305)	(3,808,853)	(3,808,853)	(382,763)	-	(4,191,616)
Net	1,989,000	(159,653)	1,829,347	1,829,347	(179,063)	208,275	1,858,559

10. Credit facilities and guarantee

As at December 31, 2018 and 2017, 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. 11 and 22.1 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.

11. Short-term loans from financial institutions

Consisted of :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Promissory note	180,000,000	200,000,000
Trust receipts payable	243,689,423	395,654,160
Total	<u>423,689,423</u>	<u>595,654,160</u>

As at December 31, 2018 and 2017, promissory notes has maturity dated in the type of call with bearing the interest rates at 2.25-2.60% per annum and 2.25-2.35% per annum respectively.

As at December 31, 2018 and 2017, trust receipts payable which loans in Baht currency and bearing the interest rate at the fixed interest rate basing on the financial market situation, under term of trust receipt contract, the Company received merchandise ordered by using credit of the financial institutions. Hence, the Company constitutes obligation commitment to the financial institutions for such merchandise fee both that kept or disposed.

Short-term loans from financial institution have term of credit facilities and guarantee as mentioned in the notes to financial statement No.10.

12. Trade and other payables

Consisted of :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Trade accounts payable		
- Trade accounts payable-related parties	131,803	2,138,245
- Trade accounts payable-other parties	85,485,933	263,276,717
Total trade accounts payable	85,617,736	265,414,962
Other accounts payable	9,554,989	6,551,121
Accrued expenses-related parties	13,245	23,376
Accrued expenses-other parties	27,435,083	26,553,271
Advance received	2,333,820	-
others	45,850	-
Total	125,000,723	298,542,730

13. Employee benefit obligations

Movement in the employee benefit obligations is as follows :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Employee benefit obligations as at January 1,	826,594	733,811
Current service cost	311,574	108,397
Interest cost on obligations	59,808	33,941
<u>Less</u> Employee benefit paid	(371,487)	(49,555)
Actuarial losses arising from defined benefit plan	1,041,377	-
Employee benefit obligations as at December 31,	1,867,866	826,594

Expenses recognized in statement of comprehensive income for the years ended December 31, 2018 and 2017 are as follows :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
<u>Recognized in profit or loss</u>		
Cost of sales	72,934	54,023
Administrative expenses	298,448	88,315
Total	<u>371,382</u>	<u>142,338</u>

Recognized in other comprehensive income

Actuarial losses arising from defined benefit plan	1,041,377	-
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Principal actuarial assumptions at the reporting date are as follows: -

	<u>2018</u>	<u>2017</u>
Discount rate	2.81%	4.03%
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.

Actuarial losses recognized in other comprehensive income arising from :-

	(Unit : Baht)
	<u>2018</u>
Demographic assumption	(177,130)
Financial assumption	114,946
Experience adjustments	<u>1,103,561</u>
Total	<u>1,041,377</u>

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Discount rate increase (0.5% movement)	(105,816)	(22,195)
Discount rate decrease (0.5% movement)	112,478	23,556
Future salary growth increase (0.5% movement)	119,217	30,795
Future salary growth decrease (0.5% movement)	(112,905)	(28,959)
Employee turnover increase rate (1.0% movement)	(267,082)	(69,762)
Employee turnover decrease rate (1.0% movement)	305,113	81,517

December 13, 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment which the Company have additional liabilities for long-term employee benefits of Baht 0.32 million. The Company will reflect the effect of the change by recognizing past services costs as expenses in the income statement of the period in which the law is effective.

14. Share capital

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

	Par	2018		2017	
	Value	Number of	Amount	Number of	Amount
	(Baht)	Shares	Baht	Shares	Baht
Authorized share capital					
Ordinary shares at beginning of period	1.00	399,000,000	399,000,000	399,000,000	399,000,000
<u>Add</u> Increase ordinary Shares	1.00	-	-	-	-
<u>Less</u> Decrease ordinary Shares	1.00	-	-	-	-
Ordinary shares at end of period	1.00	399,000,000	399,000,000	399,000,000	399,000,000
Issue and paid-up share capital					
Ordinary shares at beginning of period	1.00	344,706,426	344,706,426	342,246,156	342,246,156
<u>Add</u> Increase ordinary Shares	1.00	53,957,635	53,957,635	2,460,270	2,460,270
Ordinary shares at end of period	1.00	398,664,061	398,664,061	344,706,426	344,706,426

In 2018, the Company received proceeds from the increasing in share capital from the exercise of TMILL-W1 warrants for 53,957,635 additional ordinary shares of Baht 2.0 each. As a result, issued and paid up share capital increasing Baht 53,957,635 and premium on share capital increasing Baht 53,957,635. The Company registered the increase in share capital from the exercise of the warrants with the Ministry of Commerce in November 2018. In this regard, the unexercised TMILL-W1 warrants expired in the amount of 335,939 units.

In 2017, the Company received proceeds from the increasing in share capital from the exercise of TMILL-W1 warrants for 2,460,270 additional ordinary shares of Baht 2.0 each. As a result, issued and paid up share capital increasing Baht 2,460,270 and premium on share capital increasing Baht 2,460,270. The Company registered the increase in share capital from the exercise of the warrants with the Ministry of Commerce in November 2017.

15. 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

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. In 2018 and 2017, the Company appropriated Baht 5.40 million Baht 5.30 million respectively, of the profit for the year as legal reserve.

16. Dividend paid

	Approved by	Dividend paid (Unit : Thousand Bath)	Dividend paid per share(Baht)	Date of dividend payment
Payment announced from the interim profit of Jan.1, 2016-Jun. 30, 2018	The board of Directors meeting no.10/2018 on October 17, 2018	59,800	0.15	Nov 23, 2018
Payment announced from the interim profit of Jan.1, 2016-Jun. 30, 2017	The board of Directors meeting no.8/2017 on August 31, 2017	61,607	0.18	Sep 29, 2017
Payment announced from the profit of the year 2016	The Annual 2016 General Meeting of shareholder's held on April 27, 2017	23,957	0.07	May 19, 2017
Total		85,564	0.25	

17. Capital management

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, 2018 and 2017, the financial statements present debt to equity ratio at 0.60 : 1.00 and 1.13 : 1.00 respectively.

18. Natures of expense

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Salaries, wages and other benefits to employees	84,426,435	80,362,546
Depreciation	48,835,069	48,711,315
Rental expenses	23,310,168	19,963,262
Public utility fee	31,007,104	28,738,180
Transportation expenses	38,321,902	50,492,047
Raw material and supplies used	985,726,518	877,984,089
Changes in finished goods and work in process	(2,519,424)	1,356,677
Reversal of loss for declining in the value of inventories	-	(991,614)
Other operating expenses	48,762,658	51,322,498
Interest expenses	13,067,782	14,763,786
Total	<u>1,270,938,212</u>	<u>1,172,702,786</u>

19. Income tax expense

Income tax recognized in profit or loss for the years ended on December 31, 2018 and 2017 with the following details :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Current income tax expense	27,757,581	27,792,924
Deferred tax expense (Note 9)		
Movements in temporary differences	179,063	159,653
Income tax expense	<u>27,936,644</u>	<u>27,952,577</u>

Income tax recognized in comprehensive income

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Actuarial losses arising from defined benefit plan	(208,275)	-

Reconciliation between income tax expenses and the results of accounting profit multiplied by the applicable tax rates for the years ended December 31, 2018 and 2017 as follows :-

	(Unit : Baht)	
	<u>2018</u>	<u>2017</u>
Accounting profit before tax	134,532,092	133,441,919
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	26,906,418	26,688,384
Effects of :		
Accrued expenses of land and warehouse rental agreements	727,602	727,602
Provision of litigation	(241,219)	15,000
Penalty fee	11,042	766,457
Donation	868,870	295,299
Others	(499,132)	(699,818)
Total	<u>27,757,581</u>	<u>27,792,924</u>
Movement in temporary differences	<u>179,063</u>	<u>159,653</u>
Income tax expenses reported in profit or loss	<u><u>27,936,644</u></u>	<u><u>27,952,577</u></u>

20. 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 weighted average number of common shares in issue during the year.

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

Details of calculation of earnings per share for the year ended December 31, 2018 and 2017 are as follows :-

	Baht / shares					
	Profit		Weighted average number		Earnings	
	for the year		of common shares		per share (Baht)	
	2018	2017	2018	2017	2018	2017
Basic earnings per share						
Profit attributable to equity holders of the Company	106,595,448	105,489,342	353,724,003	342,617,665	0.30	0.31
Effect of dilutive potential common shares						
TMILL-W1 warrants	-	-	-	28,462,133		
Diluted earnings per share						
Profit of common shareholders assuming the conversion of dilutive potential common shares	106,595,448	105,489,342	353,724,003	371,079,798	0.30	0.28

In 2018, TMILL-W1 warrants has expired, causing no effect on the calculation of diluted earnings per share.

21. Financial information by sectors

For the years ended December 31, 2018 and 2017, 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, 2018 and 2017, the Company has a major customer whose valuation of sale more than 10% of total revenue from sale in amount of Baht 179.72 million and Baht 132.05 million respectively.

22. Commitments and contingent liabilities

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

	<u>Currency</u>	<u>December 31, 2018</u>			<u>December 31, 2017</u>		
	(Unit)	<u>Total</u>	<u>Utilized</u>	<u>Available</u>	<u>Total</u>	<u>Utilized</u>	<u>Available</u>
Letters of guarantee	Thousand Baht	25,000	3,924	21,076	25,000	3,484	21,516
Letters of credit, trust receipt and short-term loan							
and Forward exchange contract	Thousand Baht	4,525,000	614,881	3,910,119	4,525,000	1,120,937	3,404,063
Letters of credit, trust receipt and short-term loan							
and Forward exchange contract	Thousand USD	18,000	1,541	16,459	18,000	91	17,909
Overdrafts	Thousand Baht	70,000	-	70,000	70,000	-	70,000

The above credit facilities are guaranteed by the collaterals as mentioned in the notes to financial statements No. 10.

22.2 As at December 31, 2018 and 2017, the Company has obligations in relation to overseas purchase of raw materials contracts, still not yet delivered, amount of USD 2.85 million and USD 3.08 million respectively.

22.3 As at December 31, 2018 and 2017, the Company entered into agreements of construction and decoration of new factory and construction agreements for every projects as follows :-

	<u>(Unit : Thousand Baht)</u>	
	<u>2018</u>	<u>2017</u>
Contractual value	3,445	4,751
Remaining binding contractual value	740	1,584

22.4 As at December 31, 2018 and 2017, 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:-

	<u>(Unit : Thousand Baht)</u>	
	<u>2018</u>	<u>2017</u>
Within 1 year	15,642	10,851
For 1-5 years	48,717	48,020
5 years onwards	307,982	320,229
Total	<u>372,341</u>	<u>379,100</u>

23. 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.

January 15, 2016, the Civil court has ordered the Company to pay the creditor in the amount of Baht 2.00 million. The Company is being appealed against the ordered with the appeal court.

September 13, 2016 the Appeal Court has ordered the Company to pay the Creditor in the amount of Baht 1.00 million. The Company is being appealed against the order with the Supreme Court. May 2, 2018, the Supreme court has ordered the Company to pay the Creditor in the amount of Baht 1.00 million include interest and other expenses total amount of Baht 1.26 million. The Company has paid to the Creditor.

24. 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)

	December 31, 2018						
	Fixed interest rate			Floating	Non		Interest rate
	Within	More than	More than	interest rate	interest		
	1 year	1 year to 5 years	5 years		bearing	Total	(% per annum)
<u>Financial assets</u>							
Cash and cash equivalent items	-	-	-	60,894,585	17,555,985	78,450,570	0.10-0.75
Trade and other receivables	-	-	-	-	179,144,232	179,144,232	-
Total	-	-	-	60,894,585	196,700,217	257,594,802	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	423,689,423	-	-	-	-	423,689,423	2.25-2.60
Trade and other payables	-	-	-	-	125,000,723	125,000,723	-
Total	423,689,423	-	-	-	125,000,723	548,690,146	

(Unit : Baht)

	December 31, 2017						
	Fixed interest rate			Floating	Non		
	Within	More than	More than	interest rate	interest		Interest rate
	1 year	1 year to 5 years	5 years		bearing	Total	(% per annum)
<u>Financial assets</u>							
Cash and cash equivalent items	-	-	-	61,227,465	15,008,476	76,235,941	0.70-0.75
Trade and other receivables	-	-	-	-	173,758,373	173,758,373	-
Total	-	-	-	61,227,465	188,766,849	249,994,314	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	595,654,160	-	-	-	-	595,654,160	2.25-2.35
Trade and other payables	-	-	-	-	298,542,730	298,542,730	-
Total	595,654,160	-	-	-	298,542,730	894,196,890	

Risk on exchange rate

Risk on exchange rates of the Company mainly involves with purchases of raw materials, denominated in foreign currencies, as at December 31, 2018 and 2017, the Company conducted a foreign currency forward contract with commercial banks to hedge against exchange rate risk from debt repayment denominated in foreign currency, but has not recognized such foreign currency forward contract in the financial statements. The due date for payment of the forward contract already committed has outstanding period of not greater than 12 months with the following details:-

	<u>Unit</u>	<u>December 31,</u>	
	<u>And Currencies</u>	<u>2018</u>	<u>2017</u>
Amount fixed in contract	USD	2,674,094	7,654,919
Amount earned under forward contract	Baht	86,086,857	253,418,009
Fair value under forward contract	Baht	86,534,794	249,499,229

Fair value under the forward contract calculated at the rate set by the Bank retains at the dated of statement of financial positions.

In addition, the Company also has liabilities in foreign currencies without hedging against exchange rate risk as follows: -

<u>Unit and currencies</u>	<u>Liabilities</u>	
	<u>2018</u>	<u>2017</u>
USD	-	360,276

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.

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.

25. 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, 2018 and 2017, the Company has made contributions to the fund amounting to Baht 0.50 million and Baht 0.45 million respectively.

26. Fair value measurement

As at December 31, 2018 and 2017, the Company had certain liabilities that were disclosed at fair value using different levels input as follows :

(Unit : Thousand Baht)				
<u>2018</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial liabilities which fair value are disclosed				
Foreign currency forward contracts (Note 24)	-	86,535	-	86,535
<u>2017</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial liabilities which fair value are disclosed				
Foreign currency forward contracts (Note 24)	-	249,499	-	249,499

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

27. Events after the reporting period

According to the Company's board of directors Meeting No.2/2019 held on February 28, 2019, The Company's board meeting has resolution to propose that the Annual General Meeting of the Shareholders to be held on April 25, 2019 to approve a resolution to appropriated for legal reserve from the operation result for the year 2018 amount of Baht 5.40 million and to pay dividend from operation result for year 2018 of Baht 0.15 per share amounting to Baht 59.80 million and represented a total dividend payment of Baht 0.30 per share, inclusive of the interim dividend of Baht 0.15 per share.

28. Approval of financial statements

These financial statements have been approved for issuance by the Company's board of directors on February 28, 2019.

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mr.Charnkrij Dejvitak)

Executive Vice Chairman & Managing Director



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