



T S FLOUR MILL PUBLIC COMPANY LIMITED

"We" are a large scale flour milling factory and have the most modern production technology in the country

ANNUAL REPORT 2019





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General Information

Company's name : T S Flour Mill Public Company Limited

Type of Business : Producing and distributing wheat flour

Location and Storehouse : 90/9 moo 1 Soi Siamsilo Poochaosamingphrai Road
Samrongklang, Phrapadaeng, Samutprakarn, 10130

Registration Number : 0107553000131

Telephone : 02-017-9999

Telefax : 02-017-999

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.)

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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>

The Representative of the Note holders

: 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



: 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

Intetal Audit

: Dharmniti Auditing Co., Ltd.
By Miss. Ruethaichanoke Supapong
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

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**

	2560	2561	2562
Financial Statement (Million Baht)			
Total Income	1,306.1	1,405.5	1,485.8
Cost and Expenses	1,157.4	1,257.6	1,351.7
Profit before interest and Income tax.	148.7	147.9	134.1
Financial Cost	15.3	13.4	7.1
Income tax	28.0	27.9	25.7
Net profit	105.5	106.6	101.3
STATEMENTS OF FINANCIAL POSITIONS (Million Baht)			
Assets	1,773.1	1,581.8	1,339.2
Liabilities	939.5	594.3	342.2
shareholders' equity	833.6	987.5	997.0
Financial Ratios			
Number of Shares issued (Million Shares)	344.7	398.7	398.7
Book value per share (Baht)	2.42	2.48	2.50
Earning per share (Baht)	0.31	0.30	0.25
Dividend (Baht)	0.18	0.30	0.19
Dividend Payout Ratios (%)	81.11	56.10	90.53
Operating profit margin (%)	11.19	10.16	8.45
Return on Equity (%)	12.85	11.71	10.21
Return on Assets (%)	6.32	6.35	6.93
Debt to equity shareholders	1.13	0.60	0.34

Message from the Chairman of the Board

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 control 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 is ranked in the ESG 100 list of the top 100 listed companies with outstanding performance in environment, society and Good Governance from Thaipat Institute for the year 2019 with selection from 771 listed companies (Not including securities that Under rehabilitation) announced the results on 30 May 2019
- The company received a certificate of honor as an organization to support the employment of social disabled people for the year 2019. On 18 September 2019 from the Foundation for Social Innovation
- The company has successfully worked without accidents for 900 days on 27 September 2019.
- The company received a plaque of honor for the development of Wat Punhangsawat School (Thip Sombatbun-Chum-Uthit) under the 100% Partnership School Project on September 28, 2019 from the Ministry of Education

In this regard, the company is committed to relentless in delivering quality products and services to customers. In addition to attaching importance to business growth Focus on market development Build relationships with customers And focuses on human resource development and internal management systems at the same time Including carrying out projects supporting various activities Of the community to build relationships Show social responsibility And encourage the community to develop in many areas.

Lastly, on behalf of the Board of Directors, TS Flour Mill Public Company Limited would like to thank the management team of the company. That can run the business of the company in the year 2019 to grow with satisfactory Including all employees For dedication, diligence and an important force to participate in business expansion Including shareholders, customers, business partners and business partners who have always supported and trusted the company

All the directors are ready to devote their ability to oversee the company's business. By adhering to the principles of good governance Which will be a strong foundation that leads to the sustainability of the company Finally, on behalf of the Board of Directors, TS Flour Mill Public Company Limited would like to thank the management team of the company. That can run the business of the company in the year 2019 to grow with satisfactory Including all employees For dedication, diligence and an important force to participate in business expansion Including shareholders, customers, business partners and business partners who have always supported and trusted the company, all of the board of directors are ready to devote their ability to supervise the company's business. By adhering to the principles of good corporate governance which will be a strong foundation that will lead to the sustainability of the company.



(Mr. Pricha Attavipach)

Chairman of the Board

Message from the Executive Chairman



Mr. Prapas Chutimaworaphan

Executive Chairman



(Mr. Prapas Chutimaworaphan)
Executive Chairman



In 2019, the company has a total production capacity of 500 tons of wheat per day. And the average annual production capacity is approximately 73.26% although the competition situation is still at a high level But the executive committee And senior management have planned the event In changing policies and strategic plans In accordance with the situation Therefore able to run the business according to the target

Performance in 2019 of TS Flour Mill Public Company Limited had a net profit of 101.28 million baht, a decrease of 5.31 million baht from year 2018, representing 4.99 percent.

On behalf of the executive committee Thank you to all management and staff. Dedicated to all his knowledge and abilities in the work Together to develop the company. To thrive Including thanking shareholders, customers, business partners and business partners. Including all relevant parties who have consistently contributed to the support and trust in the Executive Committee The Executive Board pledged to be determined to manage the company. With prudence, transparency and adhering to the corporate governance for the development of the company. To continue to progress unceasingly

Message from the Audit Committee



Mr.Somchai Vanavit
Chairman of 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 the year 2019, the Audit Committee has considered the selection Ms. Ruthai Chanok Supamong from Dharmniti Internal Audit Company Limited is the company's internal auditor. Which is a certified public accountant approved by the Office of the SEC with internal audit duties including giving suggestions to the company in order to amend the operations to be transparent with consistent with the principles of good corporate governance.

Compliance with the Securities and Exchange Act Regulations of the Stock Exchange of Thailand and laws relating to the business of the company The Audit Committee has reviewed the compliance with the Securities and Exchange Act. Regulations of the Stock Exchange of Thailand And laws related to the company's business The Audit Committee is of the opinion that the Company has complied with the said law. Without finding any significant defects

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.



T S Flour Mill Company Limited was announced as a member of the Thai Private Sector Collective Action Coalition Against Corruption Program (CAC) on 12 February 2018, Private Sector Practices Against Corruption (CAC). Full CAC) Establishments and receive the benefit of investors and stakeholders as a key

The company Organized training for educating employees. In order to be aware of the policy and abide by in 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. Realize and give importance to anti-corruption By communication Through various channels such as product brochures, company websites (www.tmill.co.th) going out to meet customers As well as take care to prevent and fight against corruption both within the organization and invite partners to participate in this project By adhering to the policies of the organization And in accordance with the requirements of being a member of the Private Sector Collective Action Coalition Against Corruption (CAC) network.

On December 12, 2019, the company announced the No Gift Policy in order to establish good standards for transparency. On the organization's website (* Category: Good Corporate Governance: Anti-Corruption Policy: Request Cooperation, Stop Accepting Gifts-Giving Raising or any other benefit And sent a letter inviting companies to trade partners, customers, and general companies joining the network of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) project

Announced at ** Good Corporate Governance: Anti-Corruption Policy: Invitation to join the CAC Network) on the website And via electronic mail to customers and partners

TMILL

Goals in 2020

T S Flour Mill Company Limited Remain committed and maintain standards to supervise the organization to be a white organization Without having to be invasive, both internal and external As well as following the original determination to invite more and more partners every year To be a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) network in order to demonstrate transparency in every aspect. And build confidence for customers, trade partners, investors, or interested parties In operation with dignity and leadership of the manufacturer industry The definition of our organization is as follows: "We are a large wheat flour mill and have the most modern production technology in Thailand.

Audit Committee Perform duties independently in accordance with the scope and responsibility assigned by the Board of Directors. The Audit Committee is of the opinion that The company's financial report Prepared correctly in accordance with generally accepted practices. And with sufficient and correct disclosure of information There are no material points that are contrary to the facts and financial reporting standards. As well as government regulations.

The audit committee There is an opinion that in the year 2019, the company has sufficient and appropriate operations under the internal control system. Have effective and effective risk management Comply with laws, regulations, and regulations completely accurate and adequate disclosure of information And operate in accordance with the good corporate governance system Transparent, reliable, as well as responsible for the economy, society and environment Which can be confident that T S Flour Mill Public Company Limited is ready to grow sustainably And maintain the status of an organization with good corporate governance.

Board of Directors

คณะกรรมการบริษัท

TMILL



Board of Directors



Mr. Pricha Attavipach

Chairman of the Board



Mr. Prapas Chutinaworaphan

Executive Chairman



Mr. Somchai vanavit

Chairman of Audit Committee



Mrs. Yaovanuth Dejvitak

Executive Director &
Managing Director



Mr. Chanahai Chutimaworaphan

Executive Vice President



Mr. Dhanadon Sujiphinyo

Executive Director

Board of Directors



Mr.Narong Janelapwattanakul

Executive Director



Mr.Chalush Chinthammit

Executive Director



Dr.Supasorn Chayowan

Director



Mr. Somchai Chintummit

Director



Mr. Chaleumchai Wongwaiwit

Audit Committee



Mr. Anek Kumchum

Audit Committee

The Information of directors' positions

Executives and controlling persons

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.	Mrs.Yaovanuth	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	Chinthummit	D, ED, S
13.	Miss. Surangrat	Jongprasopsap	M
14.	Mrs. Waewta	Natphan	M
15.	Mr.Nopporn	Wihok	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

Pride Award



Nature of Business

The main goal of modern innovation

TMILL Dedicated to looking for new innovations to increase consumer satisfaction for the ever-changing technology, increasing competitiveness and increasing service provision. Develop business that is outstanding and outstanding both now and in the future, with safety and profitability in mind. Operate in accordance with the good governance and SDGs of sustainable development organizations.



T S Flour Mill Public Company Limited the importer of wheat importer and major wheat flour producer in Thailand Which has been in business since 2007, the company has focused on the quality of the products Starting from the selection of high standard rice varieties, the right amount of protein and gluten Processed to obtain quality wheat flour For each customer group that is used to produce a variety of bakery and food products.

The company has selected advanced machinery equipment By using automatic wheat flour processing system using CIM (Computer Integrated Manufacturing) which has the special ability to control the quality of wheat flour formulas precisely, clean and hygienic under the system to analyze and control the critical point in the production process. Which affects the chemical, biological and physical qualities of wheat flour (Hazardous Analysis Critical Control Points: HACCP). Also considering food safety is important.

The company has been certified for production standards. Both the quality system Hygiene and safety of products such as ISO 22000: 2005, GMP, HACCP and HALAL so that consumers can consume wheat flour products of the highest quality and can be traced back For maximum confidence In addition, the company There is still a research and product research team. Which is providing Tailor-Made Flour production and inventing new types of wheat flour, special formula (Novel Products) to meet the diverse needs of customers. In terms of sales and marketing Along with providing after sales service. The company has developed personnel With ongoing training to increase sales skills so that employees have knowledge and understanding of the company's products. As well as providing services More efficient after-sales.

History and important developmental changes



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.



TMILL

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.



Year	Key Development of T S Flour Mill Public Company Limited
2009	<ul style="list-style-type: none"> - The Company was certified to used HALAL mark by the Office of Islamic Affairs Committee of SamutPrakan 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.
2012	<ul style="list-style-type: none"> - 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.



Year	Key Development of T S Flour Mill Public Company Limited
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	<ul style="list-style-type: none"> - 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. - The Company received the Green Industry Award, Level 2, Green Activity from the Ministry of Industry. - 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
2018	<ul style="list-style-type: none"> - 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 October 5, 2018. - The Company registered the change of paid-up capital to 398.7 million baht since November 1, 2018.
2019	<ul style="list-style-type: none"> -The company is ranked in the ESG 100 list, being one of the 100 listed companies with outstanding performance in environment, society and governance. From Thaipat Institute for the year 2019 with selection from 771 listed companies (Excluding securities under rehabilitation) Announcement of results on 30 May 2019 2.The company received a certificate of honor as an organization to support the employment of social disabled people for the year 2019 on September 18, 2019 from the Social Innovation Foundation. 3. The company has successfully worked without accidents for 900 days on 27 September 2019. 4. The company received a plaque of honor for the development of Wat phunhangsanawas School. (Thip Sombunbun-Chum-Uthit) under the 100% Partnership School Project on 28 September 2019 from the Ministry of Education

Shareholding Structure of the Group

On December 31, 2019 The Company has basic structure as followed:

Kron Kaen Sugar Company Limited

Authorized capital 2,205 Million baht

Already paid 2,205 Million baht

47.63 Percent



Thai Sugar Terminal Company Limited

Authorized capital 191.6 Million baht

Already paid 191.6 Million baht

68.86 Percent



T S Flour Mill Company Limited

Authorized capital 399 Million baht

Already paid 398.7 Million baht



Income Structure

Income Structure

Business lines and Product Segmentations

Type of income	2017		2018		2019	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Wheat Flour	1,137.2	87.1	1,205.0	85.7	1,270.0	85.5
Wheat Bran	165.1	12.6	194.7	13.9	206.0	13.9
Rice Germ and Wheat	1.0	0.1	0.1	0.0	0.4	0.0
Others Income*	2.8	0.2	5.7	0.4	9.4	0.6
Total Income	1,306.1	100.0	1,405.5	100.0	1,485.8	100

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 2017 to 2019

Type of income	2017		2018		2019	
	Million	Percent	Million	Percent	Million	Percent
	Baht		Baht		Baht	
Fresh Noodle Flour	203.9	17.9	194.5	16.1	127.2	10.0
Instant Noodle Flour	189.3	16.6	250.0	20.8	293.2	23.1
Bread Flour	260.5	22.9	323.2	26.8	374.4	29.5
All Purpose Flour	313.7	27.6	259.8	21.6	297.9	23.5
Biscuit Flour	156.7	13.8	167.5	13.9	166.5	13.1
Other Flour	13.1	1.2	10.0	0.8	10.8	0.8
Total profit of whole flour	1,137.2	100.0	1,205.0	100.0	1,270.0	100.0

The table of selling flour from 2017 to 2019

Type of Profit	2017		2018		2019	
	Ton	Percent	Ton	Percent	Ton	Percent
Fresh Noodle Flour	13,456.9	16.9	12,747.8	15.2	8,401.1	9.5
Instant Noodle Flour	15,517.3	19.5	19,636.5	23.4	22,370.5	25.3
Bread Flour	16,059.9	20.1	20,213.0	24.1	24,127.7	27.3
All Purpose Flour	23,396.1	29.4	19,295.8	23.0	22,003.2	24.9
Biscuit Flour	10,763.0	13.5	11,613.4	13.8	11,136.9	12.6
Other Flour	513.2	0.6	380.7	0.5	418.3	0.4
Total amount of selling all flour	79,706.4	100.0	83,887.1	100.00	88,457.7	100.0

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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) 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.



3) 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.

4) 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.





5) 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.

6) 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 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, 2018 and December 31, 2019 the Company asset was cost 674.3 million baht (THB) and 637.2 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, 2018	Dec 31, 2019	
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	143.5	136.7	No obligations
2. Machines and Equipment	Owner	477.4	451.6	No obligations
3. Decorations and office equipment	Owner	3.0	2.1	
4. Vehicles	Owner	19.7	18.2	No obligations
5. Utility System	Owner	30.7	27.9	No obligations
6. Asset during the construction	Owner	-	0.7	No obligations
Total		674.3	637.2	

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

The company is expanding capacity by implementing the resolutions of the Board of Directors Meeting No. 2/2013 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 .

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:





Bread flour

3 types of bread flour

1. Pung-Thong brand
2. Pung-Daeng brand
3. Pung-Lueng brand

Information of trademarks and services	Logo of trade mark	Description
1. Pung-Thong brand		Ready used flour for making whole wheat bread having high protein 50 percent. The flour is full of fiber, vitamins, mineral and antioxidant.



Information of trademarks and services	Logo of trade mark	Description
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.



Fresh noodle flour

2 types Fresh noodle flour

1. Sen-Yok brand
2. Sen-Lueang brand


Information of trademarks and services	Logo of trade mark	Description
1. Sen-Yok brand		Wheat flour for making high quality of Chinese noodle, fresh noodle and wonton paste.
2. Sen-Lueang brand		Wheat flour for making fresh noodle or wonton paste.



Instant noodle flour

Instant noodle flour

1 . Sen-Thong brand

Information of trademarks and services	Logo of trade mark	Description
1. Sen-Thong brand		Wheat flour for making instant noodle.

Biscuit flour

Biscuit flour

1.Gung-Hun brand



Information of trademarks and services	Logo of trade mark	Description
1.Gung-Hun brand		Wheat flour for making biscuit, waffle, pancake, doughnut, crispy bun etc.





All-purpose flour

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2 types All-purpose flour


1. Luk-king brand
2. GU-la-Deang brand

Information of trademarks and services	Logo of trade mark	Description
1. Luk-king brand		All purpose wheat flour for making doughnut, pancake, cookie, tart, waffle, Chinese bun, and crispy bun etc.
2. GU-la-Deang brand		High protein wheat flour for making animal nutrition like shrimp, fish, dog etc.



Cake flour

1. hua-Jai brand

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



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Steamed Bun Flour

1.Ta-long-Pao brand

Information of trademarks and services	Logo of trade mark	Description
<p>1.Ta-long-Pao brand</p> <p>**The certificate of registration of a trademark on January 3, 2014.</p>		<p>Wheat flour for making bun, Chinese bun, cake, cookie, moji, tart.</p>

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Dough Stick Flour

1.Koo-Guo brand

Information of trademarks and services	Logo of trade mark	Description
1.Koo-Guo brand		Wheat flour for making deep-fried dough stick.

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

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

As of December 31, 2019, the Company had loans from financial institutions in the form of short-term loans of approximately 251.46 million baht and interest expenses of 6.72 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 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 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 aboard.

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, 2019 a major shareholder of the company was Thai Sugar Terminal Company Limited (TSTE) which held share 68.86 percent of authorized capital. Thais percentage was more than 50 percent helping TSTE control all votes from committees. For instance, TSTE can control committee's election, or any other votes requiring majority vote excepting the topic that has to abide by law. That exception vote needs 3 out of 4 from shareholders. As a result, other shareholders are in at risk that they may be not balance power on meetings.

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

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.

Goals in 2020 of Marketing

Generate sales by 2020 to receive 80% of total sales and increase customer base in Bangkok and overseas using competition strategies.

Competitive strategy Although the company Will just start the wheat flour production business in the middle of the year 2007, but considering the quantity After selling products, the company has seen continuous growth. The competitive strategy in marketing is very important for the company Able to increase sales Focus on delivering quality products Providing services that focus on the needs of customers. Therefore, in marketing the company Therefore there are competitive strategies which can be divided as follows

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. Up to the present, there has been an increase in sales proportion for customers with more advance contracts. Resulting in the proportion of sales changing to approximately 40% and 60% respectively

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 bares high cost, the government sector will take it consideration whether to raise up the price or not. As the wheat flour uses for all kind of producing food in every day's life, it is very important for Department of Mental Health to keep an eye on food industry strictly. Therefore, Department of Mental Health plays a crucial role in controlling food industry to be safe and clean.

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.

International marketing

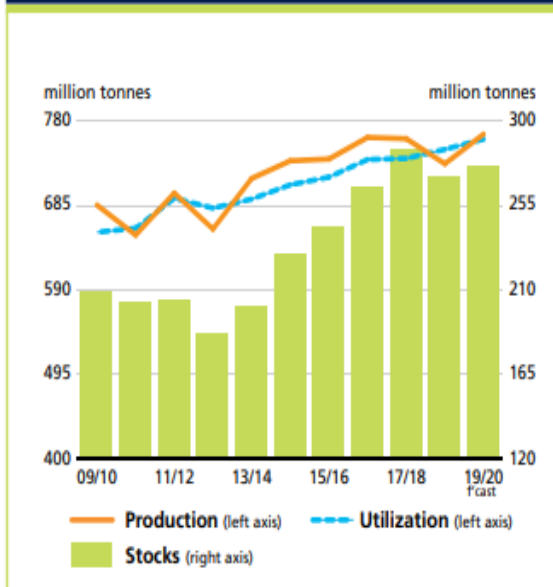
Target year 2019 of the international marketing department

1. Recruiting international gluten sellers Import foreign gluten
2. Procurement of wheat of not less than 80% quality
3. Recruiting new wheat sellers

Performance of the year 2019

Recruiting international gluten suppliers
Approved 5 cases of foreign glutamine imports ** The company saves about 200,000 baht / time. Procurement of quality wheat can be 83%, recruiting 3 new wheat sellers, up from 21, accounting for 14.28%.

WHEAT PRODUCTION, UTILIZATION AND STOCKS



WORLD WHEAT MARKET AT A GLANCE

	2017/18	2018/19 estim.	2019/20 f'cast		Change: 2019/20 over 2018/19
			May	Nov	
	million tonnes				%
WORLD BALANCE					
Production	760.0	731.9	767.0	765.0	4.5
Trade ¹	177.4	168.2	173.5	172.1	2.3
Total utilization	737.9	748.0	756.9	759.5	1.5
Food	509.0	512.5	519.4	517.8	1.1
Feed	137.2	140.5	143.6	144.4	2.8
Other uses	91.6	95.1	94.0	97.2	2.3
Ending stocks ²	284.5	269.8	278.0	274.9	1.9
SUPPLY AND DEMAND INDICATORS					
Per caput food consumption:					
World (kg/yr)	67.4	67.1	67.3	67.1	0.0
LIFDC (kg/yr)	49.0	49.1	49.0	49.0	-0.2
World stocks-to-use ratio (%)	38.0	35.5	36.2	35.7	
Major exporters stocks-to-disappearance ratio ³ (%)	21.0	17.4	18.7	16.8	

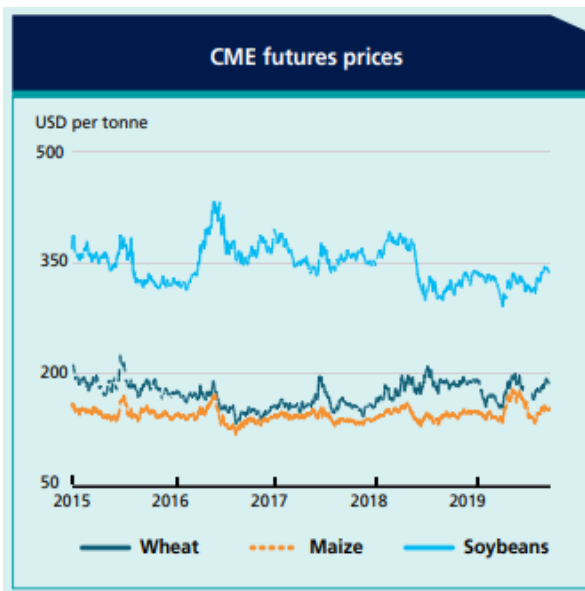
Industrial situation

Wheat and wheat flour industry conditions in the world market

Global wheat supply is forecast to recover in 2019/20, as reflected in persistent low international prices since the start of this year. At around 765.0 million tonnes, the latest FAO forecast for world wheat production in 2019 confirms the earlier projection of a strong rebound from 2018 to a new record high. An expected production recovery in the EU constitutes the bulk of the year-on-year increase in world production. However, much bigger harvests than last year are also foreseen in other top producing countries, including the Russian Federation, Ukraine and the United States. Total wheat utilization in 2019/20 is set to reach 759.5 million tonnes, 1.5 percent higher than in 2018/19. Total food use of wheat is forecast to approach 518 million tonnes, up 1.1 percent and rising in close tandem with world population growth. However, large supplies and competitive prices are likely to drive up feed use of wheat by 2.8 percent, a faster rate than was projected earlier, while industrial use is also anticipated to register strong growth.

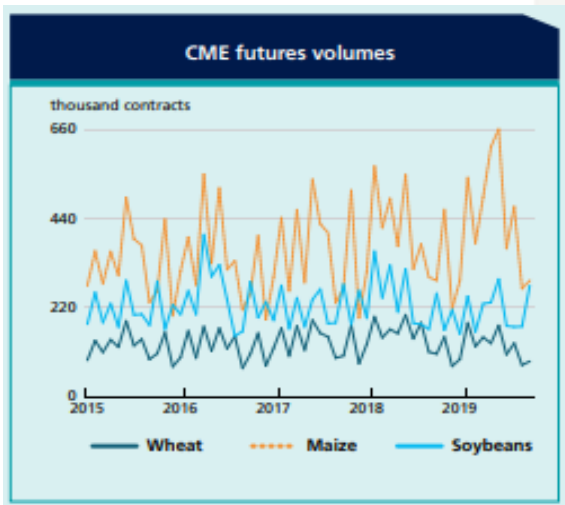
Based on the latest production and utilization forecasts for 2019/20, global wheat inventories could climb to almost 275 million tonnes, the second highest level on record. If realized, stocks would be up 1.9 percent from their opening levels. However, most of the projected accumulation of world wheat stocks is expected to occur in China, where carryovers could increase by 8 percent to 129.0 million tonnes. While inventories in the EU and India are also expected to expand, notable declines are anticipated in Australia, the Russian Federation, Pakistan, Morocco and Turkey.

At around 172 million tonnes, the forecast for global wheat trade in 2019/20 (July/June) has been trimmed slightly in recent months, but still up from the 2018/19 reduced level. Larger wheat imports by drought-affected Morocco and higher purchases by several countries in Asia account for most of the forecast expansion in world trade. On the export side, while the Russian Federation is seen maintaining its position as the world's largest wheat exporter, its overall wheat sales in 2019/20 could fall short of the previous season, in view of stiffer competition from other major exporters.

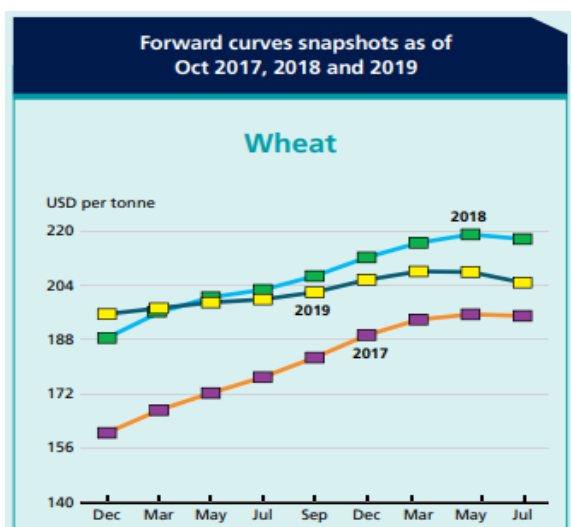
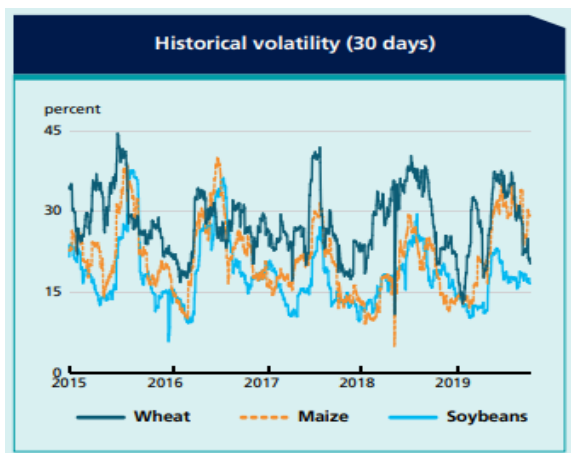


World wheat prices

Futures prices for wheat, maize and soybeans exhibited sizable, mostly synchronous price swings during the past five months, as unstable US weather patterns and trade uncertainties dominated market sentiment. Maize experienced the greatest price variation, rising by USD 25 per tonne from an 11-month low to a 5-year high in mid-June, as record rainfall and widespread flooding caused significant planting delays across the US growing region. Soybean prices, which had touched an 11-year low in May in response to massive hog culling throughout Southeast Asia and China's retaliatory tariffs on the US oilseed, rose to a 1-year high

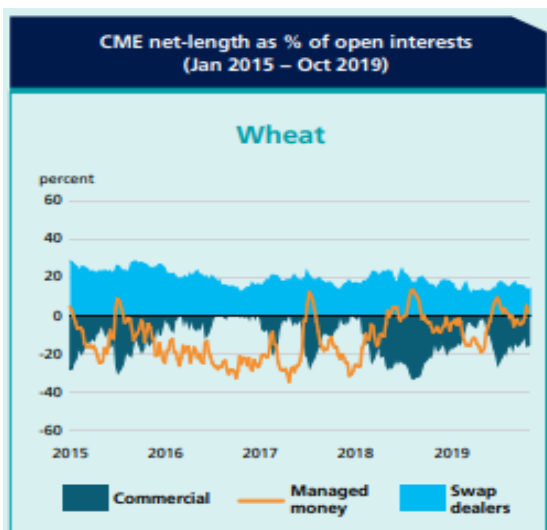


Wheat prices also rose in concert with those of maize and soybeans, but to a lesser extent. Values fell for all three commodities when the US weather normalized and the United States Department of Agriculture (USDA) projected crop production, especially for maize, at levels considerably above trade expectations. Following the price slump in September, soybean values bounced after reports of sizable increases in Chinese purchases in October and the US administration announcement that a trade resolution was within reach. At the same time, wheat prices advanced as an aberrant snowstorm swept across the US northern plains, while maize recovered after hitting a typical seasonal low in September.

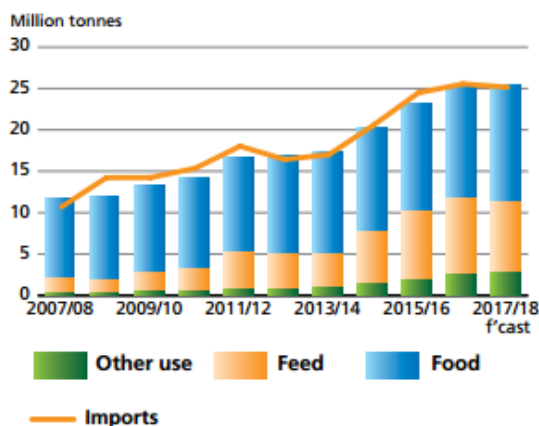


Elsewhere, USDA offered guidance that global supplies were adequate, citing fractional changes to various regions. The effects of developments in exogenous markets, such as energy prices and foreign exchange movements, appeared muted. Excluding a brief price spike, West Texas Intermediate crude oil traded in a narrow USD 50–60/barrel range during the last five months and the US dollar remained steady, but firm. In common with last year’s price action, weather and trade issues superseded other factors

Forward curves for wheat, maize and soybeans exhibited dramatic moves as buyers amassed both old and new crop contracts for maize and soybeans during the raindrenched spring planting period. The y/y curve (calculating the difference between December 2019 and December 2020 contracts) for maize attained a substantial inverse (downward sloping) of USD 18 in June at the height of the price rise, falling USD 31 by month end and reconfiguring into a steep contango (upward sloping) of USD 13, before rebounding somewhat. The y/y soybean spread (November 2019 – November 2020) saw similar tightening and subsequent relaxation from USD 5 contango to USD 23 contango,



Wheat consumption vs wheat imports



Volatility levels for wheat, maize and soybeans rose to their highest level during June since the beginning of the calendar year, as torrential rains threatened to slow or halt planting progress in spring-planted crops across the US growing region. Weather appeared to eclipse any reports of progress or setbacks in the US-China trade dispute, which has lingered since April 2018 when China first halted US soybean purchases in response to US tariffs on Chinese imports. Historical volatility (based on 30 days)

Importing wheat and wheat flour Southeast Asia

- Southeast Asian countries depend heavily on wheat imports to meet their domestic consumption.
- Wheat imports have more than doubled in the past decade, with an annual consumption growth of 4.7 percent, due to expanding population, strong economic growth and declining prices.
- Demand for high quality milling wheat has grown fastest with diets shifting to higher consumption of wheat products, such as noodles and pastries.
- Feed and residual use in the region has also grown significantly, doubling, on rapidly rising demand from the livestock, poultry, and aquaculture sectors.

Source of Information :

food outlook fao 2019,

<http://www.fao.org/3/ca6911en/CA6911EN.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 2019 (top 10) as follows

WHEAT STATISTIC

No.	Country	2019
1	America	699,012,875
2	Australia	270,630,845
3	Canada	198,788,353
4	Ukraine	42,036,414
5	Russia	5,397,330
6	Moldova	1,734,790
7	France	995,170
8	Malaysia	100,000
9	Germany	80,090
10	Belgium	16,000

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

Wheat imports of Thailand Mostly, wheat is imported for food production. Mainly from 3 countries namely the United States, Australia and Canada

In addition to imports in the form of wheat Thailand also imports wheat flour, with the main sources of Thai wheat flour imported in 2019, namely Vietnam, the Philippines, Singapore, Sri Lanka and Latvia. Import statistics for the wheat flour import in Thailand on 2019 as followed:

WHEAT FLOUR STATISTIC

No.	Country	2019
1	Vietnam	57,880,221
2	Philippines	20,202,059
3	Singapore	19,330,039
4	Sri Lanka	19,067,987
5	Latvia	13,920,550
6	Turkey	12,646,702
7	South Korea	8,116,740
8	Japan	8,021,922
9	Slovenia	7,778,775
10	China	4,289,174

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

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

The wheat flour industry in Thailand has been operating for more than 40 years. Initially, there are 4 manufacturers, namely United Flour Mill Public Company Limited (UFM), which has been a listed company on the Stock Exchange of Thailand since 1978 and has requested to withdraw shares. Has been delisted since 2010, Laemthong Sahakarn Company Limited Siam Flour Trading Company Limited, Thai Wheat Flour Industry Company Limited Later, after the year 2534 onwards, there are additional manufacturers as follows: Bangkok Flour Mill Company Limited, Nissin STC Flour Milling Company Limited, Curry Flour Mill Company Limited King Milling Company Limited, Pacific Flour Mill Company Limited and Charoen Pokphand Feedmill Company Limited (specifically manufactured for shrimp farming) and companies that have recently started wheat flour industry, such as President Flour Mill Company Limited

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. 1) The wheat transfer (SILO): This is a process of moving wheat rice from major silo to minor silo so as to clean and adjust the wheat dampness preparing wheat rice for a production process. The company has 19 silos which are 6 huge silos which capacity 6,000 tons, 8 silos which capacity 2,500 tons, 2 silos which capacity 2,000 tons and 3 small silos which capacity 300 tons All silos are for storing wheat rice importing from aboard.

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.

Producing Process

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

The Company totally pays attention to a production process since the product is related to food consumption which needs to remain hygiene. During the production process, there is a random check to

control and evaluate products from a quality insurance department. The Company also sets a private sector to estimate the production department before making a package in every 2 hours.

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

1) The wheat transfer (SILO): This is a process of moving wheat rice from major silo to minor silo so as to clean and adjust the wheat dampness preparing wheat rice for a production process. The company has 19 silos which are 6 huge silos which capacity 6,000 tons, 8 silos which capacity 2,500 tons, 2 silos which capacity 2,000 tons and 3 small silos which capacity 300 tons All silos are for storing wheat rice importing from aboard.

2) 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.

Production process

Power development 80% production

Target year 2019 of the Department of Logistics and Logistics

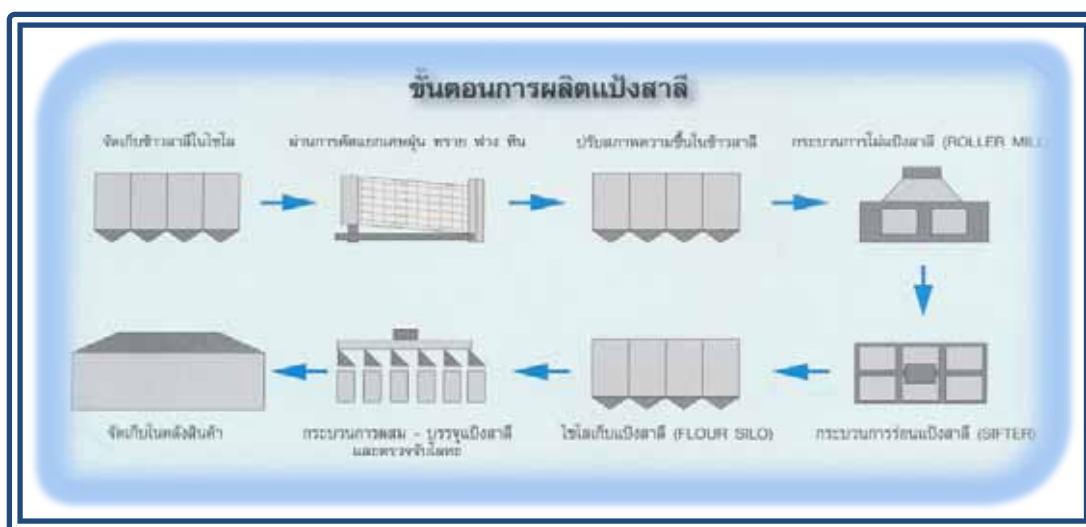
The target is set at 80% production capacity.

Performance of the year 2019

Performance in the year To wait for the summary of numbers in January 2020

Year 2020 targets of mixed silo, packing, warehousing, transportation

The goal is to target 80% of production capacity.



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 2017 to year 2019 was 66.09%, 68.73% and 73.26% respectively. The utilization rate during the year 2019 increased. And if looking at the amount of production, it can be seen that the year 2019 has increased more than 2018 and 2017

Wheat Flour Producing	2019	2018	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)	114,289	107,217	103,097
The Used of production capacity (%)	73.26	68.73	66.09
The amount of capacity's rate (decrease) (%)	6.60	4.00	0.17

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



The Structure of stockholders and management

The amount of capital registration and paid

As of December 31, 2019 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, 2019 are as follows

No.	List of major shareholders	2019		List of major shareholders	2018	
		Number of shares	%		Number of shares	%
1.	Thai Sugar Terminal Public Company Limited	274,508,840	68.86	Thai Sugar Terminal Public Company Limited	274,508,840	68.86
2.	Mr.Tanatron Guagunsree	7,000,800	1.756	CHASE NOMINEES LIMITED	7,084,700	1.777
3.	Mr.Wiboon Sareeyotin	4,103,700	1.029	Mr.Tanatron Guagunsree	4,103,700	1.029
4.	Mr.Prapas Chutinaworaphan	3,909,500	0.981	Mr.Wiboon Sareeyotin	3,144,471	0.789
5.	Mr.Prasert kangchang	3,542,000	0.888	Thai NVDR Company Limited	2,945,093	0.739
6.	Mrs.Nuchara Piansupap	3,144,471	0.789	Mrs.Nuchara Piansupap	2,800,005	0.702
7.	Mitkasate Industry Company Limited	2,945,093	0.739	Mrs.Saratana Lerchaiprasit	2,571,700	0.645
8.	Mrs.Saratana Lerchaiprasit	2,800,005	0.702	Mitkasate Industry Company Limited	2,377,125	0.596
9.	Mr.Wiroj Pungpanyaluad	2,640,000	0.662	Mr.Wiroj Pungpanyaluad	2,340,000	0.587
10.	Mr.Intarat Wongsree	2,100,000	0.527	Mr.Intarat Wongsree	2,100,000	0.527
	<i>Top 10 shareholders</i>	306,694,409	76.933	<i>Top 10 shareholders</i>	276,975,634	76.248
	<i>Other minority shareholders</i>	91,969,652	23.067	<i>Other minority shareholders</i>	121,688,427	23.752
	Total shares	398,664,061	100.00	Total shares	398,664,061	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.

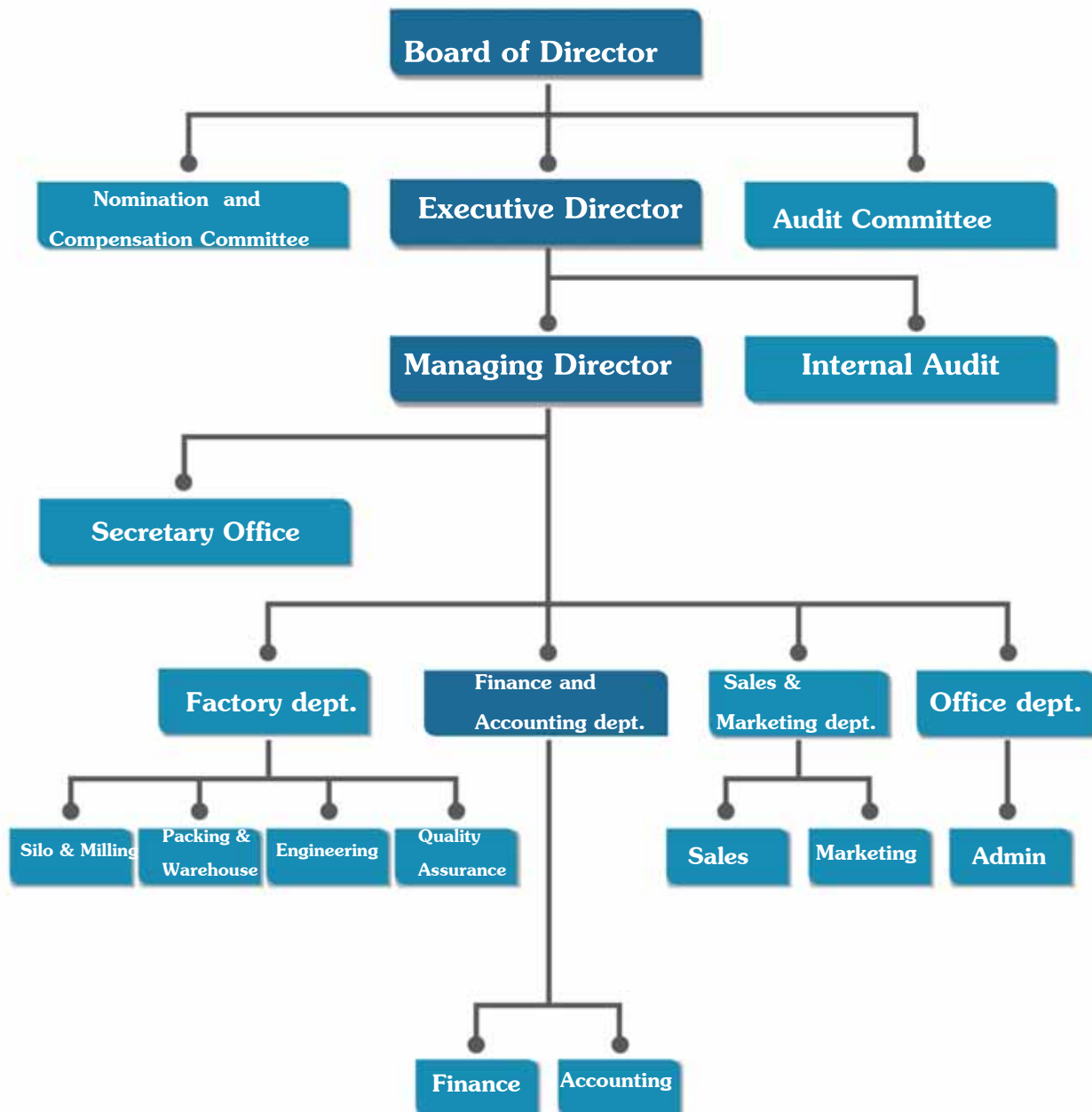


List of Shareholders and Proportion of Shareholding of Thai Sugar Terminal Public Company Limited First 10 as at December 31, 2019.

No.	List of major shareholders	2019		List of major shareholders	2018	
		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.	38,199,755	9.965	Prachuab Industry Co., Ltd.	38,000,252	9.914
4.	Mrs.Yaowanuch Dejvitak	31,299,893	8.165	Mrs.Yaowanuch Dejvitak	31,299,893	8.165
5.	Miss Yaowaluk Chutimaworaphan	27,206,675	7.098	Miss Yaowaluk Chutimaworaphan	27,206,675	7.098
6.	Mr.Prapas Chutimaworaphan	19,756,766	5.154	Ratchaburi Sugar Co.Ltd.	19,022,666	4.963
7.	Ratchaburi Sugar Co.Ltd.	18,169,747	4.740	Mr.Prapas Chutimaworaphan	18,169,747	4.740
8.	Mitr kasetr Co., Ltd.	16,027,170	4.181	Mitr kasetr Co., Ltd.	16,027,170	4.181
9.	Mrs.Boonprom Chinbhilas	5,402,978	1.409	Mrs.Boonprom Chinbhilas	5,402,978	1.409
10.	Miss.Kunkamol Wongwatanasin	3,960,000	1.033	Miss.Kunkamol Wongwatanasin	3,960,000	1.033
	<i>Top 10 shareholders</i>	314,212,442	81.970	<i>Top 10 shareholders</i>	314,212,442	81.970
	<i>Other minority shareholders</i>	69,114,739	18.030	<i>Other minority shareholders</i>	69,114,739	18.030
	Total shares	383,327,181	100.00	Total shares	383,327,181	100.00

T M I L L

Organizational structure



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

In the year 2019, the Board of Directors Have considered, reviewed and approved the vision, mission, strategic plan / strategy for the production sector management And long-term business goals And still confident that the company Will be able to grow in the direction that is set by a wide vision and with new innovations constantly In which the board meeting Has approved in all respects as proposed

Vision

"We" are leading wheat flour manufacturers By focusing on the development of excellence in both the commercial and product quality professionally

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 2019 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**



An aerial photograph of a coastal road. A white car is driving on a grey road that curves along a rocky coastline. The road is bordered by a dense forest of trees with green and yellow foliage. The ocean is a vibrant turquoise color, with white waves crashing against the rocks. The text 'LONG-TERM GOALS IN BUSINESS' is overlaid in a bold, white, stylized font.

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 years

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

List of the Board of Directors as of 31 December 2019 with a total of 12 persons as follows

No.	Name List	Position	Position
1	Mr.Pricha	Attavipach	Chairman / Independent Director
2	Mr.Prapas	Chutimaworaphan	Executive Chairman
3	Mr.Somchai	Vanavit	Independent Director
4	Mrs. Yaovanuth	Dejvitak	Executive Director & Managing Director
5	Mr.Chanachai	Chutimaworaphan	Executive Vice Chairman
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 Kullachothhada 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 Mrs. Yaovanuth 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 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 Memorandum of association 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	Mrs. Yaovanuth	Dejvitak	Executive Director & Managing Director
3	Mr.Chanachai	Chutimaworaphan	Executive Vice Chairman
4	Mr.Narong	Chenlapwatanakul	Executive Director
5	Mr.Dhanadon	Sujiphinyo	Executive Director
6	Mr.Chalush	Chinthummit	Executive Director

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



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, 2019, 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 Kullachothhada 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.

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 regulation.

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, 2019 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 Kullachothhada 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 appropriate

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

1. 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.
2. 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.
3. 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 17, 2019, the company has appointed a risk management working group at the management level. To monitor risk management and internal control systems throughout the organization to be more efficient With a total of 18 people as follows

No.	Name List		Position
1	Mrs. Yaovanuth	Dejvitak	Chairman of the Risk Management Working Group
2	Mrs. Waewta	Kullachotthada	Vice Chairman of Risk Management Working Group
3	Mr. Nuttapong	Sutara	Vice Chairman of Risk Management Working Group
4	Mrs. Penruedee	Mauwkasam	Head of Risk Management Working Group
5	Mr. Nopporn	Wihok	Deputy Chief of Risk Management Working Group
6	Miss. Issariya	Saengkaew	Director of Risk Management Working Group
7	Mr. Patipon	Pochanugool	Director of Risk Management Working Group
8	Mr. Chinachot	Titiwarachin	Director of Risk Management Working Group
9	Miss. Awika	Pokpermddee	Director of Risk Management Working Group
10	Mr. Tanarak	Pholcharoen	Director of Risk Management Working Group
11	Mr. Pongsak	Timpang	Director of Risk Management Working Group
12	Miss Supap	Nimclub	Director of Risk Management Working Group
13	Mr. Suksan	Chairatyeetagan	Director of Risk Management Working Group
14	Mrs. Wannaruk	Chotgamkham	Director of Risk Management Working Group
15	Mr. Phawit	Subanwong	Secretary of the Risk Management Working Group
16	Miss. Thatchaya	Rapatarmonchai	Chairman of the Risk Management Working Group
17	Miss. Wanwipha	niyommak	Vice Chairman of Risk Management Working Group
18	Miss. Natchaporn	Kutarkool	Vice Chairman of Risk Management Working Group

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 2019, 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	The meeting Ordinary shareholders Annual
1	Mr.Pricha	Attavipach	12/12	-	-	-	1/1	1/1
2	Mr.Prapas	Chutimavoraphan	12/12	12/12	-	-	1/1	1/1
3	Mr.Somchai	Vanavit	12/12	-	4/4	-	1/1	1/1
4	Mr.Chanachai	Chutimavoraphan	12/12	11/12	-	-	1/1	1/1
5	Mrs. Yaovanuth	Dejvitak	10/12	11/12	-	-	-	1/1
6	Mr.Narong	Chenlapwatanakul	11/12	12/12	-	-	1/1	1/1
7	Mr.Dhanadon	Sujiphinyo	11/12	10/12		-	0/1	1/1
8	Mr.Chalush	Chinthummit	8/12	5/12	-	-	1/1	1/1
9	Mr.Chalermchai	Wongwaiwit	11/12	-	2/4	-	1/1	1/1
10	Mr.Anek	Khamchum	11/12	-	4/4	2/2	1/1	1/1
11	Mr.Somchai	Chinthummit	9/12	-	-	2/2	0/1	-
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 2019, 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 2019 without significant restructuring

List of 4 executives

As of December 31, 2019 The Executive Directors comprises 4 persons as follows:

No.	Name List		Position
1	Mrs. Yaovanuth	Dejvitak	Managing Director
2	Miss Surangrat	Jongprosopsap	Assistant Factory Director
3	Mrs.Waewta	Kullachothhada	Assistant Finance & Accounting Director / Company Secretary
4	Mr.Nopporn	Wihok	Seles Manager



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 2019, held on 25 April 2019, set the maximum total amount for the remuneration and bonus of the Board of Directors. Audit Committee And the Executive Committee in 2019 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 2019	Monthly remuneration 2018
<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 2019 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			245,000	665,000
2	Mr.Prapas Chutimaworaphan	Director / Executive Chairman	300,000			175,000	475,000
3	Mr.Somchai Vanavit	Chairman of Audit Committee	300,000	120,000		245,000	665,000
4	Dr.Charnkrij Dejvitak	Director Executive Vice Chairman	200,000			116,667	316,667
5	Mr.Chanachai Chutimaworaphan	Executive Vice Chairman	300,000			175,000	475,000
6	Dr.Supasorn Chayowan	Director / Nomination and Remuneration Committee	300,000		10,000	175,000	485,000
7	Mr.SomchaiChinthummit	Director Nomination and Remuneration Committee	300,000		10,000	175,000	485,000
8	Mr.Anek Khamchum	Director Audit Director Nomination and Remuneration Committee	300,000	60,000	10,000	210,000	580,000
9	Mr.Chalermchai Wongwaiwit	Director / Audit Director	300,000	60,000		210,000	570,000
10	Mr.Narong Chenlapwatanakul	Director Executive Director	300,000			175,000	475,000
11	Mr.Dhanadon Sujjiphinyo	Director Executive Director	300,000			175,000	475,000
12	Mr.Chalush Chinthummit	Director Executive Director	300,000			175,000	475,000
13	Mrs. Yaovanuth Dejvitak	Managing Director	100,000			53,333	158,333
Total			3,720,000	240,000	30,000	2,310,000	6,300,000

Remark: Dr.Charnkrij Dejvitak Working between 1 Jan. – 20 Aug. 2019

Mrs. Yaovanuth Dejvitak Working between 21 Aug. – 31 Dec. 2019

Others Remuneration : None

(B) Executive and executive compensation

(a) Monetary compensation



Remuneration	2019		2018	
	No. of the Board of Directors and Executives	Amount (Baht)	No. of the Board of Directors and Executives	Amount (Baht)
Salary	12	19,203,421	10	18,995,651
Telephone bill & Car Depreciation	12	48,600	10	59,467
Bonus	12	10,527,350	10	11,816,715
Provident funds	12	181,162	10	206,018
Benefits	12	354,318	10	32,593
Total	12	30,314,851	10	31,110,444

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 |

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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,2019	30 Dec,2018
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

Total remuneration for company personnel

Compensation	2019	2018
Salary	28,189,046	25,872,595
Bonus	15,189,603	12,889,895
Overtimes	3,738,045	3,727,427
Welfare	183,272	713,503
Provident Fund and others.	1,997,825	1,857,571
Total	49,297,791	45,060,991

Auditor's remuneration

In 2019, 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 2019 total 770,000 baht

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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

T M I L L

Corporate Governance

In the year 2019, 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
- Right to propose meeting agenda
- Right to receive dividends
- The right to nominate persons to be directors
- The right to vote on various agendas of the company
- The right to vote, appoint and fix answers instead of the auditor
- The right to vote, elect or remove Directors individually
- The right to authorize other people to attend the meeting and vote
- The right to express opinions and ask questions at the shareholders' meeting and sending questions in advance
- The right to receive information And the company's information Sufficient and timely

- Facilitating shareholders to fully exercise their rights to attend the meeting and vote

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 2019, the Company held the Annual General Meeting of Shareholders on 30 April 2019 at 09:00-11:00 hrs. At the meeting room, 4th floor, T S Flour Mill Company Limited. 90/9 Soi Siam Silo, Pu Chao Saming Phrai Road Samrong Klang Sub-district Phra Pradaeng District Samut Prakarn Province



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.

1.3 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.

1.5 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 2020 Annual General Meeting of Shareholders from 30 November 2019 to 31 December 2019. 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.

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



Video of the Annual General Meeting of Shareholders for 2019

In the year 2019, the company received the quality assessment of the arrangement of the Annual General Meeting of Shareholders for the year 2019 at the score of 100 points from 100 points, which is in the criteria of "excellent" continuously for 2 consecutive years from the meeting quality assessment project. Shareholders (Annual General Meeting: AGM) of the Thai Investors Association

สมาคมส่งเสริมลงทุนไทย THAI INVESTORS ASSOCIATION				
บริษัท ที เอส ฟLOUR มิลล์ จำกัด (มหาชน)				
บริษัทจดทะเบียนในตลาดหลักทรัพย์แห่งประเทศไทย				
ตาม AGM Checklist ปี 2562 ระดับดี				
ส่วนของบริษัทจดทะเบียน 100.00 คะแนน				
Section/ หัวข้อ	A	B	C	D
การลงมติ	45	45	10	0
การลงมติ	45	45	10	0
ส่วนของสมาคม 100.00 คะแนน				
Section/ หัวข้อ	A	B	C	D
การลงมติ	45	45	10	0
การลงมติ	45	45	10	0



ปี 2562

ปี 2561

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



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

**Channels of contact of interested parties**

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
Samutprakan 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 Disclosure 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, 2018, the comparison ended at December 31, 2019 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	484,117	981,917	497,800	-
2.	Mr.Prapas Chutimaworaphan (Including spouse)	Director / Executive Chairman	1,886,488	3,911,588	2,025,510	-
3.	Mr.Somchai Vanavit*	Chairman of Audit Committee	-	-	-	-
4.	Mr.Chanachai Chutimaworaphan	Executive Vice Chairman	192,640	192,640	-	-
5.	Mrs. Yaovanuth Dejvitak (Including spouse)	Managing Director	2,400	2,400	-	-
6.	Mr.Dhanadon (Including spouse)	Executive Director	12,291	10,496	1,795	-
7.	Mr.Narong Chenlapwatanakul	Executive Director	-	-	-	-
8.	Mr.Chalush Chinthummit	Executive Director	-	-	-	-
9.	Mr.Anek Khamchum*	Audit Committee	-	-	-	-
10.	Mr.Chalermchai Wongwaiwit*	Audit Committee	-	-	-	-
11.	Mr.Somchai Chinthummit (Including underage children)	Nomination and Remuneration Committee	103,093	33,093	(70,000)	-
12.	Dr.Supasorn Chayowan	Nomination and Remuneration Committee	-	-	-	-
13.	Miss Surangrat Jongprosopsap	Assistant Factory Director	-	-	-	-
14.	Mrs.Waewta Natphan	Assistant Finance & Accounting Director / Company Secretary	-	-	-	-
15.	Mr.Nopporn Wihok	Seles Manager	-	-	-	-

Report of securities holding of directors and executives Both directly and indirectly

As of December 31, 2019, comparison for the periods ended 31 December 2019 is as follows:

Remark :

1. Independent Director
2. Mr. Prapas Chutimaworaphan 1,884,400 shares
Mrs. Sumitra Chutimaworaphan (wife) 2,088 shares
3. Mrs. Yaowanuch Dejvitak (wife) 2,400 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

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 regularly attend seminars that are beneficial to their duties. In the year 2019, the Investor Relations officers participated in various courses. Organized by the Investor Relations Development Division Corporate Governance 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.

In the year 2019, the company has scheduled to meet investors as follows

No.	Quarter	Date
1.	Quarter4/2018	March 13, 2019
2.	Quarter 1/2019	May 29, 2019
3.	Quarter 2/2019	Sep 28,2019
4.	Quarter 3/2019	Nov 25, 2019



The company regularly participates in this activity. As well as revealing information that shareholders and investors will be able to view past on the company website www.tmill.co.th and the website of the Stock Exchange of Thailand. In the year 2019, the company also participated in activities Road show, one of the marketing communication strategies that the company Attend regularly

Activity "mai FORUM 2019"

Dr. Charnkrit Dechwitak, Executive Vice President and Managing Director, TS Flour Mill Public Company Limited led the management team and employees to come to the booth at the mai FORUM 2019 with the honor of Dr. U Immigration Minister Na Finance Minister Visited the booth at Centara Grand at Central World, Floor 22 on July 13, 2019. Bring quality products and services to show the potential at the "mai FORUM 2019, the 6th mai people gathering" on July 13, 2019 at Centara Grand at Central World. Organized by the Market for Alternative Investment (maiA) in association with the maiA, under the 3S concept: SMEs SE Startup.

Objective: To disseminate information of listed companies on the Market for Alternative Investment to investors. Securities analysts, media and interested parties Get to know the information of various companies. As well as being aware of the policies, guidelines, and past performance of that company In which the event has activities related to investment. Such as the exhibition booth And products of listed companies Investment Seminar Opportunity day activity



● **Activities for disseminating information through other channels** The company has publicized information about the company introduction, providing information about the performance, including interviews with journalists at times of relevant news and affecting the company for shareholders. Investors, interested parties and those who are interested to receive information about the company continuously through various channels such as newspapers, broadcasting TV, radio as a guest speaker to talk, 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 2019, 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 2019 is as follows:

No.	list		Board company	Executive Committee	Audit Committee	Nomination Committee And consider compensation	meeting Without Managem ent	meeting Ordinary shareholders annual
1	Mr.Pricha	Attavipach	12/12	-	-	-	1/1	1/1
2	Mr.Prapas	Chutimavoraphan	12/12	12/12	-	-	1/1	1/1
3	Mr.Somchai	Vanavit	11/12	-	4/4	-	1/1	1/1
4	Mr.Chanachai	Chutimavoraphan	12/12	11/12	-	-	1/1	1/1
5	Mrs. Yaovanuth	Dejvitak	11/12	11/12	-	-	-	1/1
6	Mr.Narong	Chenlapwatanakul	11/12	12/12	-	-	1/1	1/1
7	Mr.Dhanadon	Sujiphinyo	10/12	11/12	-	-	0/1	1/1
8	Mr.Chalush	Chinthummit	8/12	5/12	-	-	1/1	1/1
9	Mr.Chalermchai	Wongwaiwit	11/12	-	2/4	-	1/1	1/1
10	Mr.Anek	Khamchum	11/12	-	3/4	2/2	1/1	1/1
11	Mr.Somchai	Chinthummit	11/12	-	-	1/2	0/1	-
12	Dr.Supasorn	Chayowan	11/12	-	-	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 2019 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	Mrs. Yaovanuth	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 2019, average score of 99.64% (2018 has an average score of 96.30%)

Evaluation	Score
Structure and qualifications of the board	93.11%
Roles, duties and responsibilities of the Board	93.54%
The Conference Board	93.52%
Duties of directors	92.86%
Relationship with management	93.75%
Self-development of directors and executive development	93.40%

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	Score
Structure and qualifications of the board	93.75%
Subcommittee meetings	93.75%
Roles, duties and responsibilities of the Board	93.66%

Evaluation results of each sub-committee

- Performance assessment by the entire Board of Directors for the year 2019, an average score of 93.72% (2018 has an average score of 96.63%)

Evaluation	Score
Structure and qualifications of the board	93.75%
Board meeting	93.23%
Roles, duties and responsibilities of the Board	91.67%

Individual evaluation of sub-committee

- Performance assessment by the entire Board of Directors for the year 2019, an average score of 92.88% (2018 has an average score of 96.97%)

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

Broad Skill Matrix										
No.	List	Laws	Accounting / Finance / Banking / Audit	engineering	marketing And management	business administration	Food nutrition	computer	condition leadership	Good corporate governance
1	Mr.Pricha Attavipach		✓	✓					✓	✓
2	Mr.Prapas Chutimaworaphan								✓	✓
3	Mr.Somchai Vanavit		✓						✓	✓
4	Mr.Chanachai Chutimaworaphan					✓			✓	✓
5	Mrs. Yaovanuth 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

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

๑/๓ 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 buying or selling of securities Board of directors

Board of directors And executives have a duty to report their securities holding in accordance with the regulations of the Stock Exchange of Thailand And the Securities and Exchange Commission of Thailand under Section 59 of the Securities and Exchange Act B.E. 2535 by informing through the company secretary To report the said change every time there is a purchase, sale, transfer or acceptance of transfer of securities To the meeting of the Board of Directors

To ensure compliance with the policy, the company will restrict access to non-public information. By recognizing only those involved By setting security levels in the workplace to prevent information leakage And requesting the owner of the undisclosed information to inform the relevant parties to strictly follow the security procedures

For the use of inside information in the wrong way as mentioned above Violators will be disciplined. And / according to the law as the case may be Directors and senior management must notify the board of directors regarding stock trading at least 1 day in advance before trading securities.

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

Policy on Safety, Occupational Health and Working Environment

T S Flour Mill Public Company Limited Adhering to the business philosophy of commerce. And responsible to society and the environment With a commitment to strictly maintain quality, occupational health, safety and the environment Including management And the use of resources in every Side sufficiently appropriate And efficiently For stability The prosperity of the business. Maintain prestige and the reputation of the company. To enable the operation to achieve the above objectives and goals, the company has defined the operational guidelines as follows

1. Conduct business to provide quality products that meet customer agreements with the cooperation of employees. And contractors that work efficiently Under the quality management system, occupational health, safety, environment and the ability of testing laboratories according to international standards Including law Government regulations and the terms of the company That has agreed strictly with the outside

2. Executives and employees must abide by and comply with the law. Policies, requirements and standards regarding quality, safety, occupational health and the environment strictly

3. Develop the quality management system throughout the organization to be an international standard with continuous and efficient work systems. To deliver products that meet quality standards And excellent service to provide customers with maximum satisfaction by abiding by safety as the heart of the operation

4. The company will make every effort to control and prevent losses in various ways. Due to an accident, fire, injury or illness from work Lost or damaged property Security breach And improper operation And causing various errors As well as maintain a safe working environment for employees. It is the responsibility of the management and employees to report accidents. Incidence by following the prescribed procedures

5. Establishing an emergency control and prevention plan in the operational area Have an emergency and crisis management plan for the organization To prepare for emergency management That may occur, such as fire, spills or leakage of chemicals or waste And be prepared for other crises That may disrupt business operations and / or damage the reputation and image of the organization

6. Provide training for employees of all professions and all levels, in order to receive sufficient and continuous development in occupational health, safety and environment.

7. Provide public relations To create knowledge and understanding and disseminate information to employees As well as related parties To know and understand policies, regulations, procedures, practices and precautions Quality, safety, occupational health and the environment As well as to apply it correctly

8. The company aims to promote and instill awareness of quality, safety, occupational health and environment to be a way of daily life for employees. Without causing danger to health Property and environment

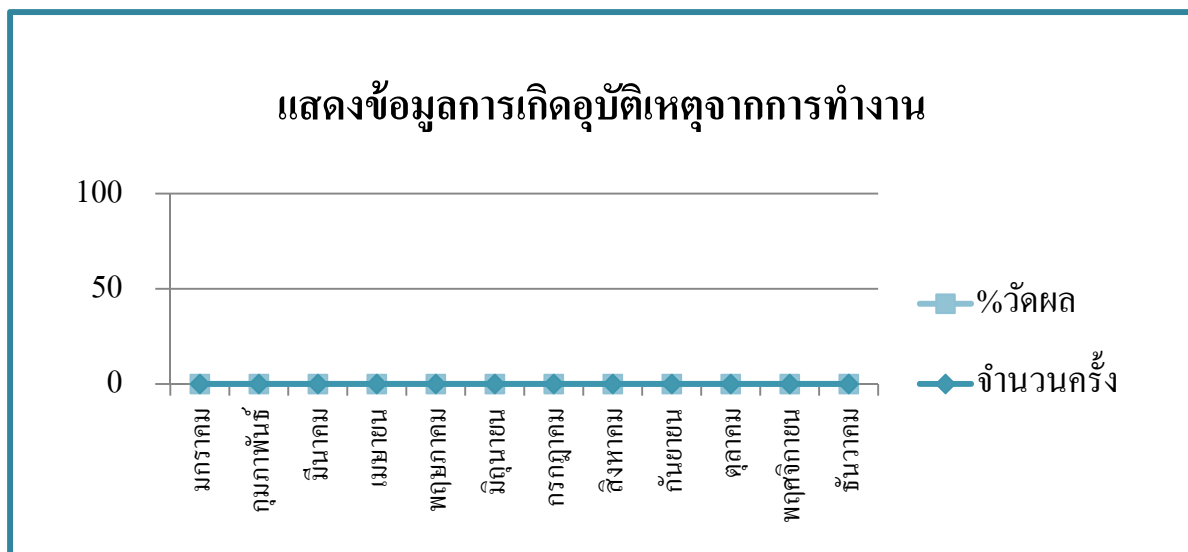
9. The company is committed to seriously participate in social responsibility in terms of quality, safety, occupational health and the environment in order to maximize the use of natural resources.

By recognizing the importance of the environment and safety As well as promoting social activities To protect the environment And improve the quality of life of people in the community in accordance with the principles of sustainable development

Controlling to prevent 100% absences from work accidents in the year 2019.

The company has a plan to control operations to prevent accidents from work to stop. And collecting monthly statistics As well as report the results to the management at the Occupational Safety and Health Committee And working environment Including public relations on the company's website On a monthly basis By collecting statistics as follows: ควบคุมไม่ให้เกิดอุบัติเหตุจากการทำงานถึงขั้นหยุดงาน 100%หรือ ควบคุมไม่ให้เกิดอุบัติเหตุจากการทำงานถึงขั้นหยุดงานต่อเดือน เท่ากับ 0% สูตรการคำนวณ

$$\% \text{ Evaluation} = \frac{\text{Number of accidents}}{\text{The number of days off from a month}} \times 100$$



Summary of receiving work amount in the year 2019.TF Lao Mill Public Company Limited announced operating results in January - December, representing a percentage of work according to the management system. Continuous safety at work

1. Schedule of normal working hours

Name of establishment: TS Flour Mill Public Company Limited					
From 1 January 2019 to 31 December 2019					
No.	D/M/Y	Number of work days Per month	Number of working hours Per day	Number of employees Per month	Number of working hours Per month
1	1-31 Jan 19	26	8	124	25,792
2	1-28 Feb 19	21	8	122	20,496
3	1-31 Mar 19	26	8	125	26,000
4	1-30 Apr 19	22	8	126	22,176
5	1-31 May 62	25	8	127	25,400
6	1-30 June 62	25	8	125	25,000
7	1-31 July 62	25	8	125	25,000
8	1-31 Aug 62	26	8	128	26,624
9	1-30 Sep 62	25	8	131	26,200
10	1-31 Oct 62	26	8	128	26,624
11	1-30 Nov 62	26	8	128	26,624
12	1-31 Dec 62	24	8	128	24,576
Total normal working hours					300,512

2. Statistical compilation table Analyze data, prepare reports and suggestions about harm Illness or annoyance due to work performed by employees

Summary of accident statistics from January to December 2019

Month	Total number of employees (person)	Number of employees injured (person)						
		Total	Death	Disabled	Loss of organs Some	More than 3 days off	Not more than 3 days off	Non stop
January	124	-	-	-	-	-	-	-
February	122	-	-	-	-	-	-	-
March	125	-	-	-	-	-	-	-
April	126	-	-	-	-	-	-	-
May	127	-	-	-	-	-	-	-
June	125	-	-	-	-	-	-	-
July	125	-	-	-	-	-	-	-
August	128	-	-	-	-	-	-	-
September	131	-	-	-	-	-	-	-
October	128	-	-	-	-	-	-	-
November	128	-	-	-	-	-	-	-
December	128	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-

3. The table shows the number of employees who are injured. Classified by cause of danger and seriousness between January to December 2019

Causes of Danger	Total	Death	Disabled	Loss of organs Some	More than 3 days break	3 days break from work	Not taking time off from work
1. Tool	-	-	-	-	-	-	-
2. Machinery	-	-	-	-	-	-	-
3. Building or construction	-	-	-	-	-	-	-
4. Material or Goods	-	-	-	-	-	-	-
5. Working posture / Lifting	-	-	-	-	-	-	-
6. The vehicle	-	-	-	-	-	-	-
7. Explosives (except gas)	-	-	-	-	-	-	-
8. Gas	-	-	-	-	-	-	-
9. Boiler and Pressure Tanks	-	-	-	-	-	-	-
10. All Electronics	-	-	-	-	-	-	-
11. Poisonous and Potential Chemicals.	-	-	-	-	-	-	-
12. Working Environments	-	-	-	-	-	-	-
13. Environmental Hazards	-	-	-	-	-	-	-
14. Germs and Viruses	-	-	-	-	-	-	-
15. Human and Animals	-	-	-	-	-	-	-
16. Others	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-



T M I L L

4. The table shows the number of employees who are injured. Classified by cause of danger and seriousness from October to December 2019

Causes of Danger	Total	Death	Disabled	Loss of organs Some	More than 3 days break	3 days break from work	Not taking time off from work
1. Fall from heights	-	-	-	-	-	-	-
2. Slipped and Fell	-	-	-	-	-	-	-
3. Fallen Building Structure	-	-	-	-	-	-	-
4. Fallen Objects	-	-	-	-	-	-	-
5. Objects that's bumped, rammed, or collide.	-	-	-	-	-	-	-
6. Trapping with Object.	-	-	-	-	-	-	-
7. Object that's sharp, pierced, cuts and penetrate.	-	-	-	-	-	-	-
8. Objects or Chemicals that is bounced, splashed in to the eyes.	-	-	-	-	-	-	-
9. Lifting or moving objects	-	-	-	-	-	-	-
10. Work posture	-	-	-	-	-	-	-
11. The Vehicle Machinery	-	-	-	-	-	-	-
12. Dangerous things may explode	-	-	-	-	-	-	-
13. Electrocuted	-	-	-	-	-	-	-
14. Result of high altitude/heat exposure	-	-	-	-	-	-	-
15. Result of extreme coldness/cold contact	-	-	-	-	-	-	-
16. Poisonous/ Hazardous Chemicals	-	-	-	-	-	-	-
17. Gamma/Radiation	-	-	-	-	-	-	-
18. Danger to Lights	-	-	-	-	-	-	-
19. Assaulted/Bodily Harm	-	-	-	-	-	-	-
20. Attack by Animals	-	-	-	-	-	-	-
21. Nature or as a result of work	-	-	-	-	-	-	-
22. Natural Occurring Disaster							
23. Violate against authority							
24. Others							
Total	-	-	-	-	-	-	-



5. Number of employees injured Classified by body parts experiencing danger and seriousness from
October to December 2019

Causes of Danger	Total	Death	Disabled	Loss of organs Some	More than 3 days break	3 days break from work	Not taking time off from work
1. Head	-	-	-	-	-	-	-
2. Eyes	-	-	-	-	-	-	-
3. Nose	-	-	-	-	-	-	-
4. Ears	-	-	-	-	-	-	-
5. Mouth, Teeth, Jaws and internal Mouth Areas	-	-	-	-	-	-	-
6. Face	-	-	-	-	-	-	-
7. Neck	-	-	-	-	-	-	-
8. Back and Spinal Area	-	-	-	-	-	-	-
9. Ribs/Rib Bones/Trunk Areas	-	-	-	-	-	-	-
10. Thorax and Internal Organs	-	-	-	-	-	-	-
11. Pelvis/Stomach and Abdominal Organs	-	-	-	-	-	-	-
12. Genitals	-	-	-	-	-	-	-
13. Shoulder/ Shoulder Blades/ Shoulder Joints/ Armpits	-	-	-	-	-	-	-
14. Arm/ Elbow/ Elbow Joints	-	-	-	-	-	-	-
15. Wrist	-	-	-	-	-	-	-
16. Hand	-	-	-	-	-	-	-
17. Thumb	-	-	-	-	-	-	-
18. Fingers	-	-	-	-	-	-	-
19. Waist	-	-	-	-	-	-	-
20. Hip Buttocks	-	-	-	-	-	-	-
21. Leg/ Shin/ Calf/ Knee/ Knee Cap	-	-	-	-	-	-	-
22. Ankle/ Astragalus Joint	-	-	-	-	-	-	-
23. Foot/ Heel/ Toe Prongs	-	-	-	-	-	-	-
24. Toes	-	-	-	-	-	-	-
25. Multiple Body Injuries	-	-	-	-	-	-	-
26. Circulatory System	-	-	-	-	-	-	-
27. Other (unidentified organs)	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-



6. Safety work statistics file 1,200 days

From past operations, safety statistics have been kept all the time in the daily record of 27 September 2019. Safety statistics have reached 900 days. The Safety Committee (CNS) has organized activities together to Celebrate and thank employees of all levels for sharing their feelings and raising awareness Good in safety until achieving the target.



Remark: Data as of 31 December 2019 has been worked for 995 days, target 1,200 days



- Picture of the 900 day Safety Statements Target Activity on 27 September 2019

1.Safety and environment activities

The company Foreseen the safety of employees at all levels. Considered to be the most important part of work Therefore, there is safety management which the company has organized as follows Safety & Energy Day 2019 on 6 July 2019



Concept

TS Flour Mill Public Company Limited has a policy to promote zero safety and energy conservation. By requiring employees at all levels Take part in responding to the policy set by the company In order to achieve the common goal of operations Therefore organized a promotion activity for employees to raise awareness about safety and energy conservation

Objective

To promote safety and energy conservation To let employees know how to reduce accidents In order to create good awareness among employees In order for employees to participate in activities to promote safety and energy conservation In order to transfer knowledge and intention of executives who give importance to safety and energy conservation.



Procedure

1. Organize a Safety & Energy Day meeting by the CSR Working Team
2. Present the Safety & Energy Day activity at the safety committee meeting, regarding budget, details of activities
3. Liaise with the Taling Chan Labor Safety Office to provide game sets and use in organizing activities.
4. Publicize in the slogan for safety and energy conservation slogan
5. Judging from the slogan contest by the Safety Committee
6. Organize activities for employees to participate in the said date and time. Along with giving prizes to the winners of the slogan contest

Evaluation of activities

1. More than 98 percent of employees participated in the activity.
2. More than 90% of the employees are satisfied with the activity.
3. Employees have knowledge, understanding, skills, awareness about safety and energy conservation, can be applied to work efficiently.





●Pictures of Safety & Energy Day 2019 on 6 July 2019

2.Fire evacuation drill for the year 2019 On 7 September 2019, the company organized the fire drill and fire evacuation activities for the year 2019, with an emergency simulation. Speaker training expert from the government agencies of Pu Chao Samingphrai Municipality With details as follows





** Pictures of fire evacuation rehearsals activities for the year of 2019 on 7 September 2019.

3.Activities of First Aid and Basic Life Support

On 5 October 2019, the company has organized activities to promote knowledge about health and safety for employees. By providing training courses on first aid and basic life support because the company Saw and placed importance And is absolutely necessary for employees of all levels In order to help colleagues other people who have been injured on the way or family to be free from danger before being sent to the hospital correctly Such as defibrillation, resuscitation, blood carry, first aid, all types of wounds Helping unconscious shock patients from various causes Poisoning, fractures, mental emergencies As well as moving the injured to the hospital Which will be beneficial to all employees and workers



Environmental management system action plan

The company is concerned and gives importance to looking after the environmental impact in the production process, has a durable design and the use of new technology and innovations. Environment and there are no environmental errors outside Therefore, the production process does not cause waste from the production process. The company pays attention to the noise pollution caused by the production activities that affect the daily life of the community. Therefore the construction of walls and walls reduce noise By focusing on helping to reduce the noise level caused by the company's production activities so that production activities can be a part of the lifestyle of the community. Which results from the construction of soundproofing walls. The company has evaluated the noise from the production activities on an annual basis. By hiring a reliable and private company that is registered with the Department of Industrial Works To monitor and control the level of noise from production activities not to exceed the standards set by the pollution control law and to prepare a solution to prevent the sound problems from the production activities that will occur in the future As well as being aware of the problem of dust pollution from the rice picking activities that affect the daily life of the community behind the silo phase 2 With concern about the respiratory health of employees and the community Therefore created a dust barrier To focus on being a dust prevention caused by rice barge being diluted And to enable the activity of receiving rice barge to be a part of the lifestyle of the community people The result of the construction of dust barrier panel Every year, the concentration of dust particles in the atmosphere from the rice barge is evaluated annually. By hiring a private company that is reliable and an agency that is registered with the Department of Industrial Works as well, and checking the concentration of dust at the actual site. By Pollution Control Department In order to be a surveillance and control to prevent the activity of receiving rice barge from the company there is a concentration of dust in the atmosphere. Exceeding the standards set by the pollution control law In order to effectively manage, care and protect the environment, the company has adopted the basic principles of doing business. By specifying the goals and things that must be complied with by law to implement the following operations.

Environmental Management Policy

T S Flour Mill Public Company Limited is a leading national wheat flour producer. Dedicated to the production and development of wheat flour products that are safe for consumers and deliver efficiently, fast, on time to the maximum satisfaction of customers. In addition, the production of products must have the least impact on the environment and the surrounding community. The company has set policies for employees at all levels to use as guidelines for their operations as follows:

The company is committed to protecting the environment and preventing pollution. To meet the standards set. To improve the company's environment For continuous efficiency

The company is committed to comply with the law, regulations and obligations relating to the environment. That has agreed strictly

The company is committed to raising awareness of the employees. To be aware of the environmental impact Including increasing knowledge Understanding the environmental aspects of the employees according to the policy forever The company will continue to improve and develop environmental systems to be more efficient and sustainable. The company will disseminate environmental policy communication to all public employees and all relevant parties of the company. Or those who are interested, know, abide by From 17 September 2019 onwards

Important social responsibility projects in 2019



Economic development

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



Economic development

Target year 2019

Implement measures to reduce electricity consumption in 2019, representing a reduced percentage of electrical energy in 2018 equal to 2.00% in order to save Energy conservation While also reducing the amount of greenhouse gas emissions as according to the reduction of actual electricity use By improving and improving the efficiency of electrical energy usage to the maximum, such as reducing leakage points of 41 compressed air systems and installing an automatic air pump control system (ES control)] reducing the original pressure 8.5 Bar to 7.5 Bar

Performance

The company can reduce electricity usage. Which is a reduced percentage of the amount of energy used in 2019, formerly 2.00%, in parallel with greenhouse gas emissions Due to ongoing efforts to reduce the use of electricity in the company With the operating results as follows

Schedule showing information on energy saving and greenhouse gas emissions in 2016 - 2019.

Year	Electric power used (kw/hr.)	Energy bills that can be reduced (kw/hr.)	Target	Success	Emission Greenhouse (TonCO ₂ e)	Value of greenhouse gas emissions (TonCO ₂ e)
2016	8,491,000	577,483.64	2.00%	7.42%	411.88	336.15
2017	8,383,000	226,459.44	2.04%	2.67%	406.65	131.82
2018	8,807,000	209,598.00	2.50%	2.50%	508.82	145.31
2019	9,190,000	182,375.92	2.00%	2.07%	530.95	126.44

* Reference data from the Energy Report 2016 - 2019

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Schedule showing information of greenhouse gas reduction from energy saving measures for the year 2019

Reduction Measures Year 2019	Target percentage reduction Amount of energy Year 2019	Target percentage goal results Year 2019	Kilowatt / year Economical(k W/hr)	Factor(EF) (kgCO ₂ e/หน่วย)	Greenhouse gas emission reduction values (kg.CO ₂ e)
1.Reduce the cracks of the compressed air system the whole system 41 points	0.50	0.55	48,853.07	0.6933	33,869.83
2. The installation of an automatic air pump control system (ES control)] Reduce the pressure Formerly 8.5Bar was 7.5Bar.	1.50	1.52	133,522.85	0.6933	92,571.39
Total	2.00	2.07	182,375.92	0.6933	126,441.22

Comparison of energy conservation management jobs in 2019

The comparison result is the energy unit of the year 2019 which can be compared with the energy consumption in 2018.

Total electricity consumption in 2018 8,807,000 kWh / year

Total electricity consumption in 2019 9,190,000 kWh / year Total 2 years 17,997,000 kWh

Results of reducing electricity usage, including 2 measures to reduce energy

Can save 182,375.92 kWh / year, equivalent to 679,771.15 baht / year (Electricity charge 3.73 baht / kW), equal to 2.07 percent, achieving the target of 2.00 percent.

Energy conservation management result summary for 2019

Summary of the actual production according to the production capacity

Total electricity consumption in 2018 8,807,000 kWh / year

Total electricity consumption in 2019 9,190,000 kWh / year Total 2 years 17,997,000 kWh

Results of reducing electricity usage, including 2 measures to reduce energy

Can save electricity 182,375.92 kWh / year, equivalent to 679,771.15 baht / year (Electricity charge 3.73 baht / kW), equal to 2.07 percent, achieving the target of 2.00 percent.

ค่าพลังงานไฟฟ้าที่ลดได้ในปี 2562 (Energy bills that can be reduced in 2019)

Measure 1 Kilowatt per hour

มาตรการที่ 1 48,853.07 กิโลวัตต์/ชั่วโมง

Measure 2 Kilowatt per hour

มาตรการที่ 2 133,522.85 กิโลวัตต์/ชั่วโมง

182,375.92

เป้าหมายอนุรักษ์พลังงาน = $\frac{\text{มาตรการที่ 1} + \text{มาตรการที่ 2}}{\text{ปริมาณการใช้ไฟฟ้าปี 2561}} \times 100$

Energy conservation goals = $\frac{\text{Measure 1} + \text{Measure 2}}{\text{Electricity consumption in 2018}} \times 100$

ปี 2562 เป้าหมายอนุรักษ์พลังงาน Energy conservation goals in 2019
2.00%

Goal summary
สรุปผลเป้าหมาย

Reduced by 2.07 percent
สามารถลดได้เท่ากับ 2.07%

2020 goals of the Engineering department

Implement measures to reduce electricity consumption in 2020 by 2.00% to reduce the amount of greenhouse gas emissions as according to the reduction of actual electricity use By improving and improving the efficiency of electrical energy to the maximum such as reducing leakage points of compressed air systems. And the installation of high efficiency motors etc.

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Environmental development

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

Environmental Management Policy

TS Flour Mill Public Company Limited is a leading national wheat flour producer. Dedicated to the production and development of wheat flour products that are safe for consumers and deliver efficiently, fast, on time to the maximum satisfaction of customers. In addition, the production of products must have the least impact on the environment and the surrounding community. The company has set policies for employees at all levels to use as guidelines for their operations as follows:

1. The company is committed to protecting the environment and preventing pollution. To meet the standards set. To improve the company's environment For continuous efficiency
2. The company is committed to comply with laws, regulations and obligations related to the environment. That has agreed strictly
3. The company is committed to raising awareness of the employees. To be aware of the environmental impact Including increasing knowledge Environmental understanding of employees according to the policy forever. The company will continue to improve and develop environmental systems to be more efficient, continuous and sustainable.
4. The company will continuously improve and develop the environmental system to be more efficient and sustainable. The company will disseminate environmental policy communication to all public employees and all relevant parties of the company. Or those interested to know Comply with all From 17 September 2019 onwards

2.Environmental Management Project

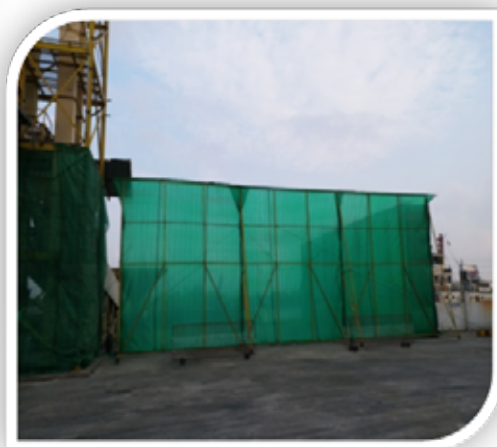
TS Flour Mill Public Company Limited is aware of environmental pollution. Both in the use of resources And pollution that may affect nearby areas The external environment of the company Therefore has established the environmental operation plan as follows

Air quality control

The company is aware of dust pollution problems arising from the activities of receiving rice barge from the company. Which affects the daily life of the community behind the silo phase 2, with concerns about the respiratory health of employees and the community Therefore created a dust barrier To focus on being a dust prevention caused by the receiving rice boat of the company To dilute and to enable the activity of receiving rice barge from the company be a part of community life

The result of the construction of dust barrier panels, the company has evaluated the concentration of dust in the atmosphere caused by receiving rice barge annually. By a credible private company And is an agency that is registered with the Department of Industrial And the concentration of dust is checked at the actual site conditions. By Pollution Control Department In order to be a surveillance and control to prevent the activity of receiving rice barge from the company The concentration of dust in the atmosphere exceeds the standards set by the pollution control law. For effective management, care and protection of the environment from the production process of the company That may cause dust effects Which comes from the activity of receiving boat goods By passing the rice to the conveyor belt Or the production process in the factory, therefore the company has handled the problem of dust according to the type of source With important dust mitigation measures as follows

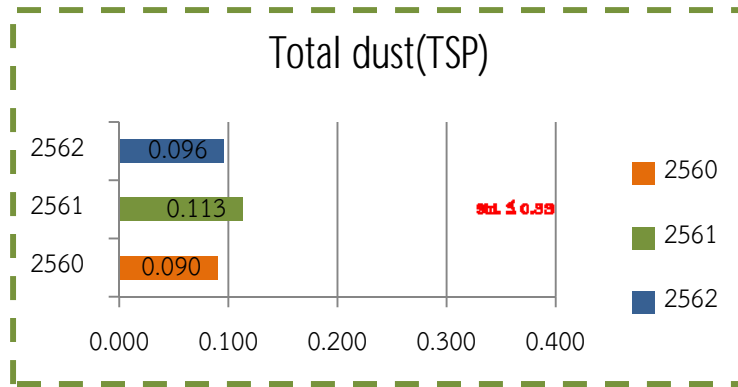
- Prepare a dustproof structure for receiving rice.
- To protect and be a barrier to prevent dust from affecting nearby areas Leak check Dust leak Follow the conveyor Including the place to store raw materials.
- Monitoring and measurement of air quality in the general atmosphere.



From monitoring the total dust, average 24 hours, is collecting dust samples with particles not more than 100 microns by Gravimetric method according to the announcement of the National Environment Board No. 10 announced in the Government Gazette, Book 112, Section 71 D, dated 25 May 1995, using the High-Volume Air Sampler to collect samples in the field and analyze the samples with a private laboratory that has been registered. The Department of Industry by the law. All operations have been certified to TIS. 17025 (ISO / IEC 17025) which has been measured according to the following table.

Indexed	Unit of measure	Unit of measure			Standard
		2017	2018	2019	
Total dust (TSP)	Mg / m3	0.090	0.113	0.096	≤ 0.33

* According to the Announcement of the National Environment Board No. 24 (2004) on the determination of air quality standards in general atmosphere. * Reference documents for the Environmental Quality Measurement Report 2017-2019



Summary of general atmospheric air quality measurement

Results The results of general air quality monitoring showed that Total Suspended Particulate (TSP) in 2017 was 0.090 mg / m³ in 2018, equal to 0.113 mg / m³. And the year 2019 is 0.096 mg / m³, which is below the standard When compared with the criteria prescribed by law According to the announcement of the National Environment Board No. 24 (2547) regarding the standardization of air quality in the atmosphere in general. (Less than or equal 0.33 mg / m³)



●Image of general atmospheric air quality measurement

Noise control :

TS Flour Mill Public Company Limited is aware of the noise pollution caused by the company's production activities that affect the daily lives of the community. Therefore built a soundproof wall By focusing on Helps to reduce the noise level caused by the company's production activities. This is so that production activities can be part of the lifestyle of the community. Which results from the construction of soundproofing walls The company has evaluated the value of general noise and noise caused by production activities on an annual basis.

By a credible private company And is an agency registered with the Department of Industrial Works as according to the law To monitor and control the level of noise from production activities Not to exceed the standards set by the pollution control law And to prepare a solution to prevent the sound problems from the production activities that will occur in the future Which has the following operations

1.1 Measures for creating sound barrier To solve the problem of noise pollution at the source

1.2 surveillance, monitoring and measurement of general noise and noise levels



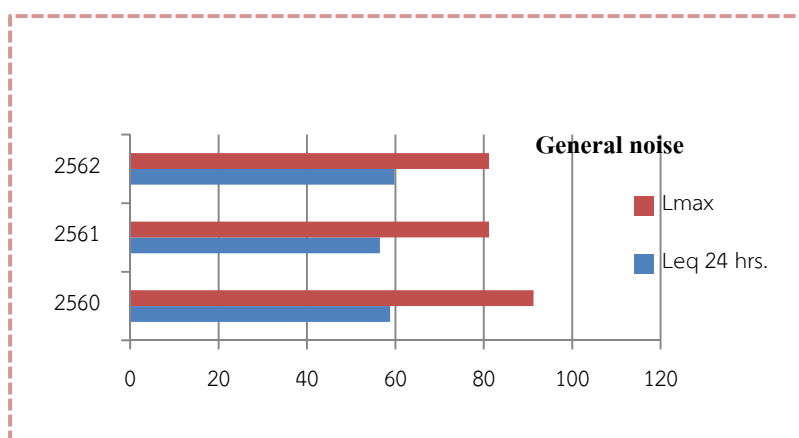
- Picture showing wall, wall to reduce noise

From the operation, monitor and measure the average 24-hour sound level (L_{Aeq24} hour) by using the sound meter type Integrated Sound Level Meter brand Rion, Model NL-21 or NL-42, is a Class 2 sound level meter that has received the international standard IEC. 61672 high precision And there is a monitoring error in the range of ± 0.5 dB (A) while measuring. There is a Wind Screen attached to the microphone head to prevent and shield the wind that is a factor of error. By installing the sound level meter on the stand so that the microphone is 1.2-1.5 meters above the ground by monitoring the noise level during the disturbance The area where the sound level meter is installed in the 1 hour period between 06:00 - 22:00 hrs. And in the 5 minute intervals between 22:00 - 06:00 hrs. Then measure the background sound level while (Background) while No, from the source, not less than 5 minutes, record the LA_{90} value, then take the result to calculate the disturbance level as specified in the Announcement of the National Environment Board No. 29 (2007), which has the measurement results according to The following table

General sound level measurement results table

Indexed	Measurement result						Standard	
	2017		2018		2019			
General noise level	Leq 24 hrs.	Lmax	Leq 24 hrs.	Lmax	Leq 24 hrs.	Lmax	Leq 24 hrs.	Lmax
	58.8	91.25	56.5	81.2	59.8	87.4	≤ 70	≤ 115

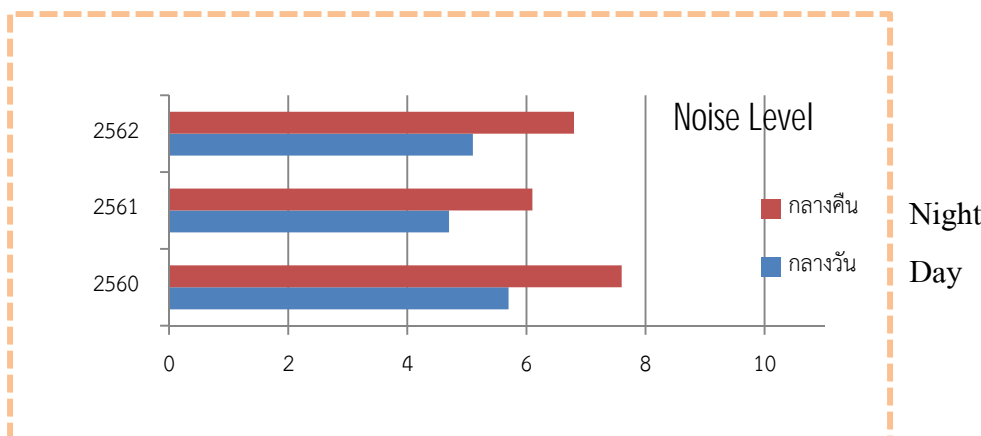
* According to the announcement of the Ministry of Industry, regarding the determination of noise and disturbance levels Factory operations 2005 * Reference documents for the Environmental Quality Measurement Report 2017-2019



Summary of general sound level measurements

The results of general noise level measurement showed that in the past 3 years, the average loudness level was measured for 24 hours and the maximum noise level was within the standard criteria in accordance with the notification of the Ministry of Industry regarding the determination of noise, noise and noise levels. Arising from a factory operations in 2005

Schedule of noise level measurement results



Summary of noise level measurement

Results The result of general noise level measurement shows that in the past 3 years, the noise level has been measured in accordance with the standards set in accordance with the Notification of the Ministry of Industry, regarding the determination of noise level and noise level caused by assembly. Factory operation in 2005 which specifies noise level below 10 decibels (A)



- Picture showing general noise and noise level measurements

Waste management

TS Flour Mill Public Company Limited is aware of the pollution problem of waste management. That occur, the business operations of the company That is a part of environmental problems that need to be given priority Same as other problems The management has set a policy for waste separation. To reduce pollution that will affect nearby communities Including waste separation to help reduce global warming as well. Therefore there is a classification of waste separation As follows

General waste

Is waste generated from consumer goods such as foam boxes, candy / food bags, food scraps, leaf scraps, etc. which are not caused by the production process etc.

Industrial waste : It is waste from the production process such as flour, sacks, flour, wheat flour, rice dust, wood waste, paper scraps that occur in the production process, etc.

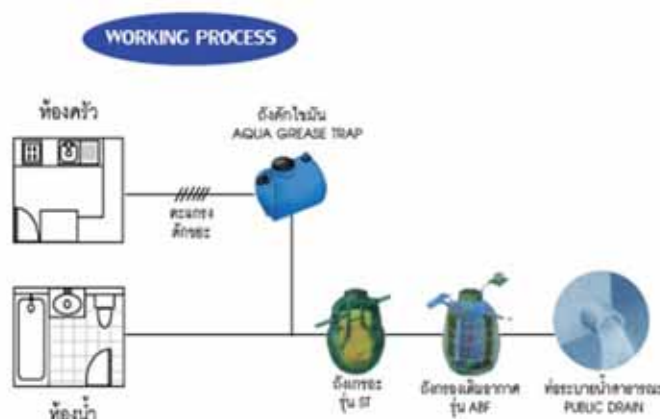
Hazardous waste : It is a waste that is contaminated with chemicals and oil, such as oil change, machinery Packaging bottles of chemicals, gloves, cloths or others contaminated with chemicals and oil However, the company's waste management process Conforms to environmental management system requirements Including follow Announcement of the Ministry of Industry, Subject: Disposal of unused waste in 2005, which requires permission before being taken outside the factory



• Picture showing litter points And waste sorting

Controlling water pollution

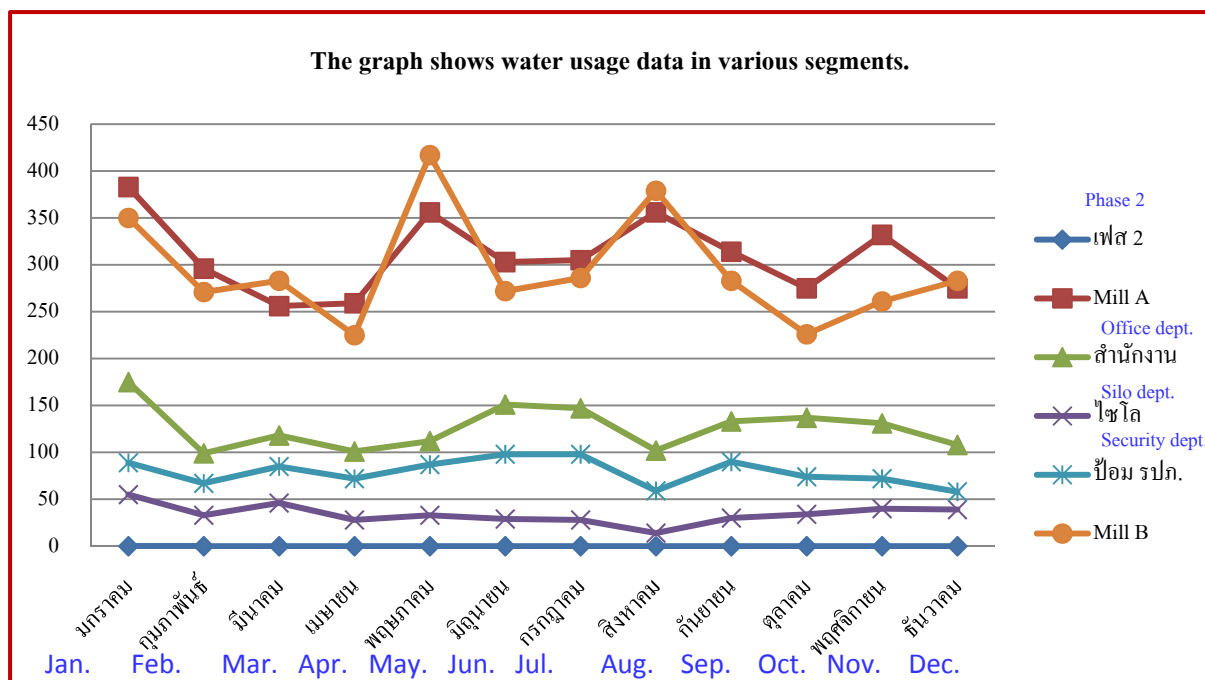
The company runs the food industry business in the production of wheat flour. Which does not use water as the main factor in production But the company has given importance Because water resources are the basic needs for the living of communities and people in society or neighboring areas. The same is true for effective waste water management. Therefore it is important that the company must have proper care and control of waste water management according to 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 demonstrates socially responsible operations of industrial enterprises



By the company Have a basic wastewater management system, such as a wastewater collection system Waste water treatment pond including grease trap and filter tank, aeration system As well as having an efficient maintenance system

Current water usage data Of each part of the company for the year 2019

Month	Silo Phase 1	Silo Phase 2	Mill A	Mill B	Office	Security	Total
Jan	55	0	383	350	157	89	1,034
Feb	33	0	296	271	99	67	766
Mar	46	0	256	283	118	85	788
April	28	0	259	225	101	72	685
May	33	0	356	417	112	87	1,005
Jun	29	0	303	272	151	98	853
July	28	0	305	286	147	98	864
Aug	14	0	356	379	102	59	910
Sep	30	0	314	283	133	90	850
Oct	34	0	275	226	137	74	746
Nov	40	0	332	261	131	72	836
Dec	39	0	275	283	108	58	763
Total (Cum)	409	0	3,710	3,536	1,496	949	10,100



•The graph shows the current water use. Of each part of the company for the year 2019

Reducing greenhouse gas emission values

Crisis and climate change are becoming more severe and occur more often. Which can directly and indirectly affect the quality of life of people in society As well as continuity in business operations For this reason, the company tries to conduct business with due regard to the negative impact on the environment throughout the process and carries out production activities that cause an impact. With the goal "Mitigate environmental impact" coupled with "Reduce the use of resources efficiently" To promote environmental quality and maintain a balanced and sustainable ecology in the area

Schedule of greenhouse gas emission calculations for the year 2019

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/หน่วย)
Jan	805,000	0.6933	558,106.50	558.11
Feb	707,000	0.6933	490,163.10	490.16
Mar	810,000	0.6933	561,573.00	561.57
April	620,000	0.6933	429,846.00	429.85
May	843,000	0.6933	584,451.90	584.45
Jun	786,000	0.6933	544,933.80	544.93
July	710,000	0.6933	492,243.00	492.24
Aug	781,000	0.6933	541,467.30	541.47
Sep	827,000	0.6933	573,359.10	573.36
Oct	824,000	0.6933	571,279.20	571.28
Nov	808,000	0.6933	560,186.40	560.19
Dec	669,000	0.6933	463,817.70	463.82
Total	9,190,000	-	6,371,427.00	6,371.43
AVG	765,833	-	530,952.25	530.95

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Engineering department

2020 goals of the engineering department

Implement measures to reduce electricity consumption in 2020 by 2.00% to reduce the amount of greenhouse gas emissions as according to the reduction of actual electricity use By improving and improving the efficiency of electrical energy to the maximum such as reducing leakage points of compressed air systems. And the installation of high efficiency motors etc.

The robot powder sifting room installation project (Robot Phase 2)

In the year 2019, the company has installed the flour sifting robot Also known as Automated Handing Bag Packing to reduce labor and get a very successful result. The benefits of the Automated Handing Bag Packing project are as follows:

1. Increased flour sifting efficiency from 2 sacks / minute to 3 sacks / minute
(From 1,000 sacks / shifts to 1,400 sacks / shifts)
2. Reduce the use of sifted flour labor (From 7 people / shift to 2 people / shift)
3. Reduce flour sifting costs by 1,218,562 baht / year (Calculated from working 1 shift / day)

Supported standards: The process is in accordance with GMP and HACCP. Note: The reduced labor does not affect human rights policies. Since it is an outside contractor that the company has hired

Robot Action Plan Phase 2

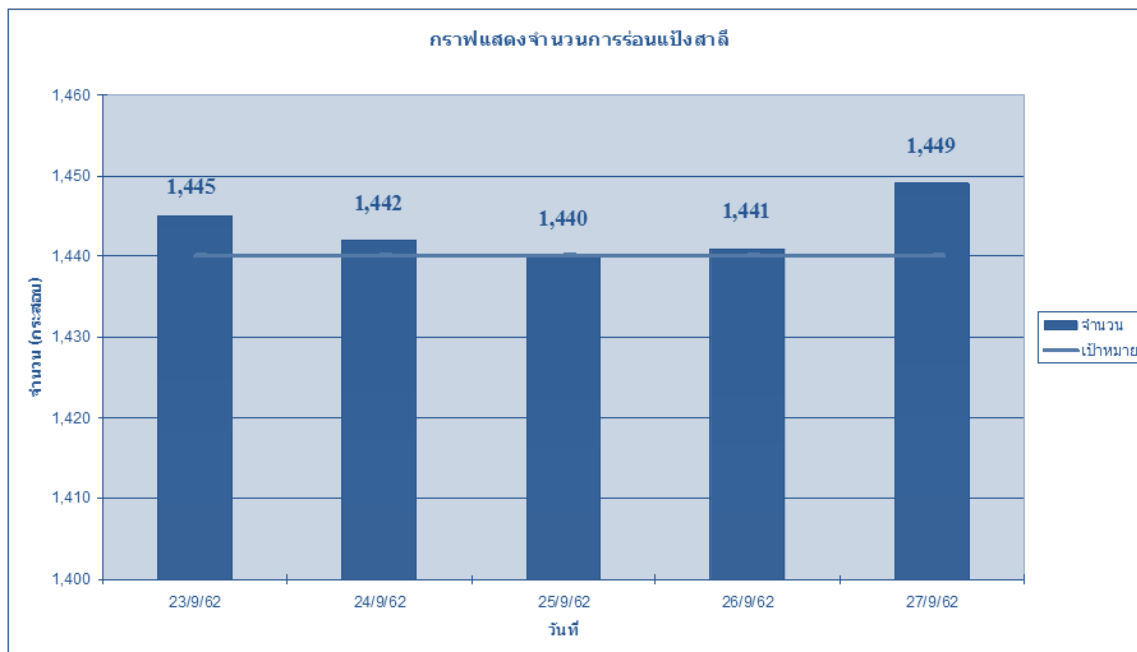
ลำดับ	ขั้นตอนปฏิบัติ	ระยะเวลา	ปี 2561												ปี 2562											
			เม.ย.	พ.ค.	มิ.ย.	ก.ค.	ส.ค.	พ.ย.	ธ.ค.	ก.พ.	ม.ค.	ก.พ.	เม.ค.	พ.ค.	มิ.ย.	ก.ค.	ส.ค.	พ.ย.								
1	ศึกษาและหาแนวทางความเป็นไปได้ว่าสมควรจัดการและสรุปแบบ	2 เดือน																								
2	สรรหาผู้รับเหมานำเสนอแบบและราคาพร้อมนำเสนอ เพื่ออนุมัติการ	6.5 เดือน																								
3	นำเสนอโครงการเพื่อพิจารณาอนุมัติ	0.5 เดือน																								
4	ดำเนินการจัดทำสัญญาจ้างเหมา+ขอรับทุนโครงการนำร่อง การลงทุน(BOI)	2 เดือน																								
5	ผลิตอุปกรณ์ต่างๆและสั่งนำเข้า robot	3 เดือน																								
6	ประกอบอุปกรณ์เครื่องจักร เชื่อมโยงระบบไฟฟ้า และระบบ ลมเข้าตัวถัง	0.5 เดือน																								
9	ติดตั้งเครื่องจักร รื้อถอนตู้ควบคุมไฟฟ้า และตรวจสอบทั้งหมด	1.5 เดือน																								
10	ทดลองการทำงานต่อเนื่อง 30 วัน	1 เดือน																								

Remark :

1. Deliver work 30 September 2019
2. 1 year warranty, period 1 October 2019 - 30 September 2020

Full capacity machine test report, 23 - 27 September 2019

Goal: Sift 1,440 wheat flour in 8 hours / day



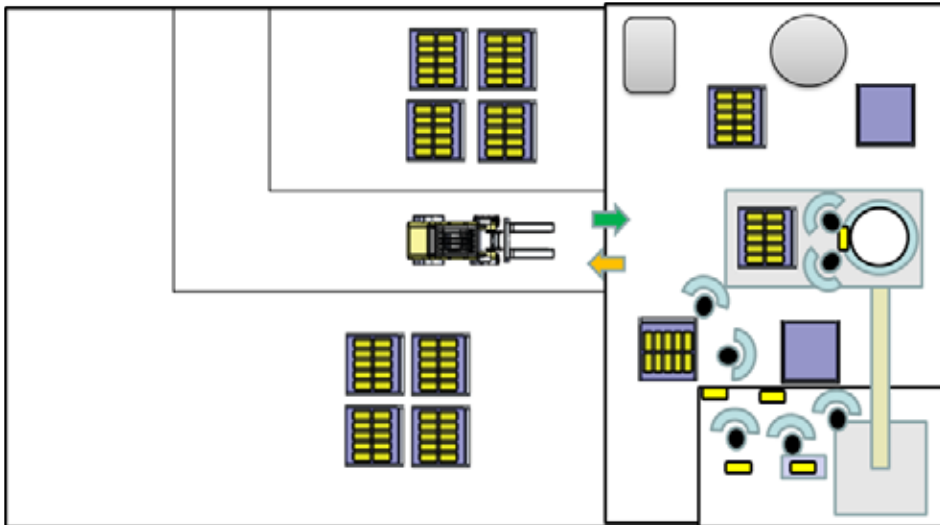
The average number of sieving was 1,443 sacks within 8 hours / day.

T MILL

The original flour sieving system model

Flour sieve system

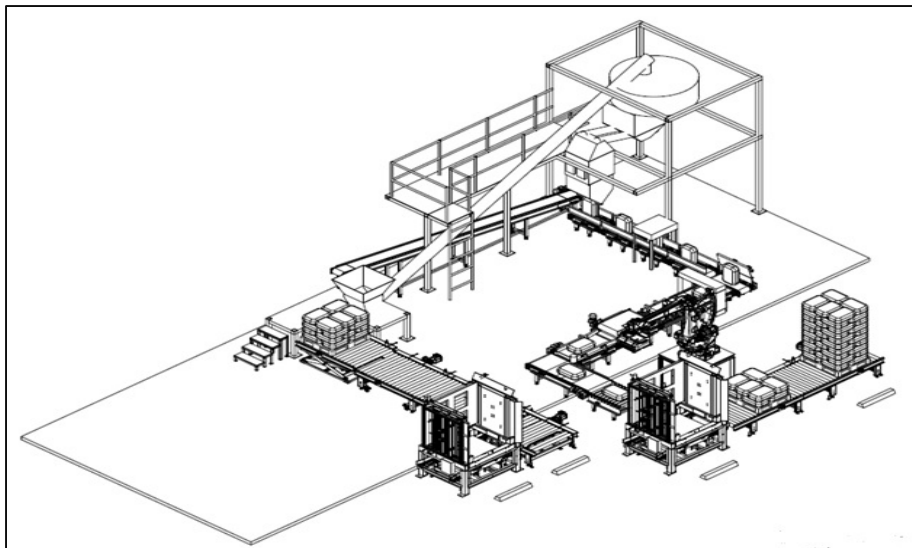
Used to sift flour, amount 7 people, sift efficiency 2 sacks / minute



The purpose of sifting the flour

In order to provide customers with strict control on products before delivery in regard to contamination of moths and insects to ensure maximum satisfaction in the use of products in the production of goods.

New flour sieving system model



Automated Handing Bag Packing



TMILL

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, 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 Department

The 2019 target of the Information

Technology Department - Control the information system within the company (office) and the information system within the factory For continuous work The online situation of the system must not be less than 92% of working hours.

Performance of the year 2019

Overall, the information system both within the company and the office And the interior of the factory works well Overall, the online situation of the system is 99.42%, which is a satisfactory result for the information technology department.

The 2020 goals of the Information Technology Department

For the company's ongoing operations The Information Technology Department has increased the goals, indicators of the department. Formerly, the online situation of the system must not be less than 92%. The online situation of the system must not be less than 97%.

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. • Information sharing within employees Must be within the framework of duties and responsibilities As far as employees should be assigned only



2. Accounting record

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

By debiting doubtful accounts	XXX.XX	Baht
Credit allowance for doubtful accounts	XXX.XX	Baht

According to the amount owed to be prosecuted

If prosecuting and receiving payment from customers The accounting department will record the account by;

Debit bank deposits	XXX.XX	Baht
Credit receivables	XXX.XX	Baht
Debit allowance for doubtful accounts	XXX.XX	Baht
Doubtful accounts	XXX.XX	Baht

According to the amount received

When the lawsuit ends And there is an amount that cannot be collected from the customer The accounting department will record the account by

Debit allowance for doubtful accounts	XXX.XX	Baht
Doubtful accounts	XXX.XX	Baht
Debit Debt	XXX.XX	Baht
Credit receivables	XXX.XX	Baht

According to the amount of money that cannot be collected from the customer for sure after the litigation ends

Tax Code of Ethics

1. Compliance with laws: The company has always adhered to and complying with all relevant laws. Including conducting business in accordance with international standards And work in accordance with the spirit and the letter of the law

2. Tax structure: The company avoids using fraudulent tax structures or incorrect methods. Or create complexities for initial tax benefits and tax avoidance

3. Organization Ethics: The company's tax ethics Determined from the principles of corporate governance and business ethics that specify the operations of the company. Must be consistent and meet the highest standards of operations as a leading company with operations around the world.

4. Taxation for corporate sustainability: The company is responsible to shareholders. By being a company with excellent financial status And have a tax system that adds sustainable value to shareholders

5. Trading transaction pricing for multinational companies: The company pays taxes in an appropriate value and in accordance with the value generated by normal commercial transactions. By calculating the purchase price of goods or services, it is mainly based on the market price

6. Relationship with tax regulators: The company respects the right of the government to determine tax structure, tax rates and taxation mechanisms for that country. The company has open contact with tax regulators. And creative To enhance the working relationship to be professional and effective

7. Tax Incentives The company aims to use tax benefits legally and with full efficiency. Under sustainable and appropriate business decisions Consistent with the principles of creating effective tax systems for the intended purpose Tax incentives may include tax exemptions from time to time. Accelerated allowance for assets Or other benefits All of which are subject to national or local tax policies And applies to businesses that meet the relevant criteria. However, these benefits may affect the decision-making process of the company's business But will consider only economic factors

Tax Risk Management

1. Tax Compliance: The company is committed to responsible tax management. By adhering to and complying with tax laws and regulations of the country where the company With business operations

2. The company has guidelines for filing tax returns in accordance with the deadlines, correctly and completely in accordance with international standards. While also supervising to prevent the adjustment of fines and interest expenses Participation in national economic development, including tax responsibilities Is another important mission of the company To ensure that The amount of tax that the company The payment is correct and suitable for the country in which the company operates.

3. The company will use prudence and transparency as a basis for tax operations in the event that there are no clear tax guidelines.

4. Monitoring and reporting: The company has tracking and reporting income tax both internally and by independent auditors. As well as showing the current and deferred income tax expenses correctly

5. Reputation risk: The company has monitored and managed the compliance. And effective risk of tax-related reputation As well as studying, analyzing the quality and unity of tax management Accuracy and completeness of tax information, tax returns, and reports on tax estimates Tax risk And deferred income tax on a regular basis

Tax strategy

"TS Flour Mill Public Company Limited has consistently adhered to the policy and principles of good corporate governance. The company conducts business with transparency and is aware of its duties and responsibilities regarding operations. According to tax law to build trust for society and interested parties "



Tax Code of Ethics : The company focuses on business operations with responsibility. Taxation for stakeholders to add value to the economy and Society of the country Under the principles of honesty, transparency, not avoiding taxes and obeying the law With good governance principles in accordance with the code of conduct The company's business is determined.

Tax risk management : The company adheres to and abides by laws and regulations Regulations of all areas where the company Go into business As well as focusing on management Risk (tax) is the result of the government's tax administration and Assess the risk of fluctuations in the baht value in detail Which covers the risk of regulatory compliance



Operational risk and the risk of financial reporting by independent external auditors However, the company still has systematic data storage. In the right format It is safe and can only be accessed by those involved. And there is monitoring by independent responsible person Including the company Conduct communication within the organization. Effectively To strengthen staff understanding and adherence to tax regulations and practices



Tax transparency : The company has a transparent reporting on tax operations to the government. And comply with disclosure requirements Information about all tax missions. The company is very determined and determined In being a good corporate citizen in society By creating excellence in tax oversight Tax responsibility And promote tax transparency with finite detail To build trust for society and all stakeholders And in reporting information to government agencies, the company focuses on the disclosure of information within the time specified by law. Official organization Or departments that supervise the company

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
- 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.
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- 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

The company focuses on managing human resources for maximum efficiency. Encourage employees to show their potential as much as possible Can be more responsible for their own work Reducing the number of new employees.

Year 2019 target of the Human Resources Department

The goal of the year 2019 is to provide training in accordance with the curriculum specified in the training plan for the year 2019.

Performance of the year 2019

In the year 2019, 30 training courses were organized, which was in accordance with the training plan. Training hours compared to 2018, more than 1,290 hours

The 2020 target of the Human Resources Department

1. To conduct training in accordance with the curriculum specified in the training plan. Not less than 80% of Annual Training Plan 2020.
2. All employees involved in the wheat flour production process must be trained on GMP HACCP ISO. 22000, including knowledge and understanding of personal hygiene not less than 90% per month.
3. Every employee involved in the wheat flour production process must not be banned in the food industry 100% per month.



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 2019, 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

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 Hiring

may terminate for various reasons. Regardless of the intent of the company Or by the employee himself Upon termination of employment, the Company will pay the employee benefits as specified in the Company's regulations. But in any case, it must not be less than the rights that employees should receive as specified by law.

**** Data as of 31 December 2019, the company has a total of 128 employees, divided into 66 males and 62 women. The resignation rate of the employees in the year 2019 is 7 people, representing 5.4% of the total staff. Average year 2019 Which the Human Resources Department has procured personnel to replace in time according to the specified time and target**



Personnel development policy

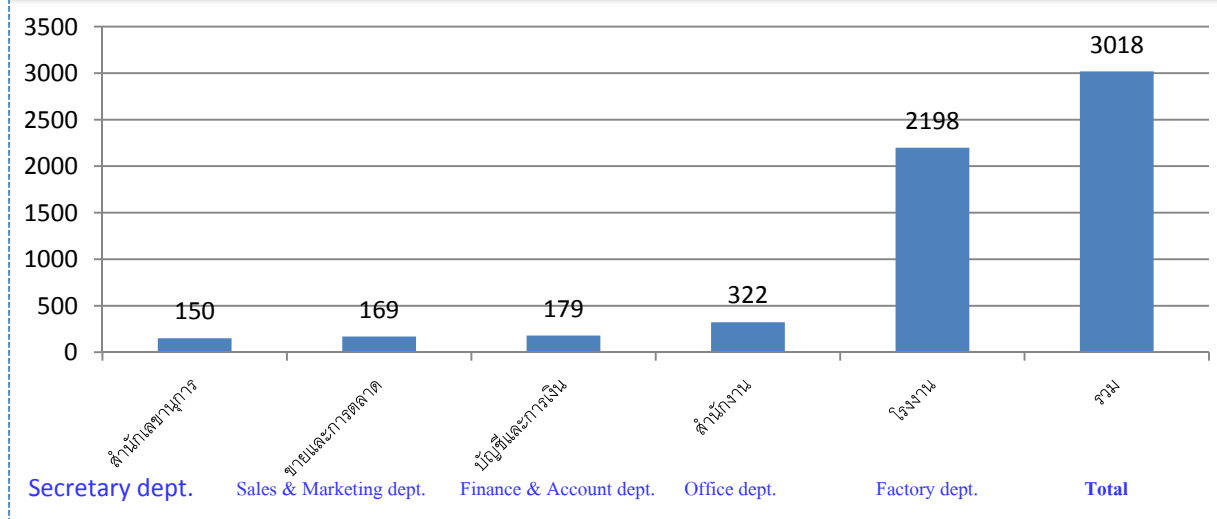
The company is determined to develop the potential and readiness of all employees to have knowledge and ability. Promote the development of personnel resources to be excellent. Because the company Realize that efficient human resources Is an important factor in running a successful business Recognizing 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 training course that the company Held that focuses on developing personnel to operate correctly in accordance with the standards set by the company And to develop work more efficiently, such as basic knowledge courses GMP / HACCP / ISO22000: 2005 And personal hygiene And the hazard analysis course in wheat flour production process, etc. In the year 2019, the company has organized 30 training courses which cover and develop the knowledge of the employees in every Proper side

Training plan for the year 2019

Department	number of employees	Number of hours of training	Average training hours / person
Office of the Secretary	7	150	21
Sales and marketing	10	169	16
Finance and Accounting	15	179	11
office	9	322	35
factory	87	2198	25
Total	128	3018	108



Summary of annual training details	
Total number of employees	128 people
Total training hours	3,018 hours
Total number of employees	23 hours per person

In addition to encouraging all employees to receive internal training, the company also encourages employees to attend external training such as company secretary courses. The Occupational Safety, Health and Working Environment Committee course, law and standards related to food additives Accounting Standard Course The new era of procurement development framework

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 9, 2019, organized the TMILL activity to carry on Thai culture. Black Head Watering Ceremony Songkran Festival 2019



On 20 April 2019, the company made merit making activities for the year 2019.



On 8 July 2019, the annual health examination activity in 2019



Recreation activities Supporting employees and nearby communities to be healthy and strong. Have a clear mental health



T M I L L

On December 14, 2019, annual bonding-bonding activity to end the old year. Welcoming the New Year 2020 At Jomtien Garden Resort Pattaya



The company has established a welfare committee in the workplace. Consisting of elected employees And executive representatives To perform duties in offering welfare in various fields To the employer as a whole As well as help to monitor and follow the employees' welfare performance to be in accordance with the stipulated conditions

In the year 2019, the company has organized the training according to the system standards, Food Allergen, Food Defense, Halal, ISO 22000: 2018 Requirement as follows

On 23 March 2019, organized a training course on "Food Allergen Management", the management of allergens in food.



On 27 April 2019, the training on "Food Defense" to prevent food terrorism



On 8 May 2019, organized a training entitled "Halal Development, Free Trade Center, ASEAN Community (HALAL)"



On 15-16 June 2019, organized a training course titled "ISO 22000: 2018 Requirement"



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 2019, the company organized training according to ISO 22000: 2005 GMP, HACCP and HALAL standards as follows.

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

On 11-15 November 2019, organized a training course "Miller Process Training"



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**

The company has a policy every 2 years to arrange a satisfaction survey from the use of the company's products and services, which the company is committed to the production of products and services professionally. To provide customers with the highest satisfaction continuously And the next satisfaction survey will be in 2020

List of client companies that visited in the year 2019

Date			Company
20	February	2019	Lily Tobeka Co., Ltd
27	February	2019	Bowman Ingredients (Thailand) Co., Ltd
20	March	2019	President Bakery Public Co., Ltd
2	April	2019	Oishi Food Service Co., Ltd
20	May	2019	CPRAM Co., Ltd (Lat Krabang)
23	May	2019	Thai Nisshin Technomic Co., Ltd
19	June	2019	SYNOVA Co., Ltd
10	July	2019	President Bakery Public Co., Ltd
7	August	2019	Kerry Ingredients (Thailand) Co., Ltd
20	August	2019	Thai Preserved Food Co., Ltd. (Factory)
22	August	2019	IFC Inter-Food Co., Ltd
18	August	2019	KCL Trading Co., Ltd
25	September	2019	MaeRuay Factory Co., Ltd
25	October	2019	Food Coatings International Co., Ltd

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.

The role of being a good global citizen: The Board of Directors Commitment to oversee the company Act as a good global corporate citizen in order to be a role model. And encourage relevant stakeholders throughout the supply chain to adhere to and comply with To create a quality society Summary of the operations of the company by adhering to the UNGC according to the commitment of 4 areas (human rights In the treatment of labor fairly Environmental stewardship And Anti-Corruption) as follows

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

Human Right Policy

T S Flour Mill Public Company Limited aims to be a leader in sustainable business operations. By recognizing and giving importance to human rights Respect for human dignity, rights, freedom and equality Under Thai and international legal provisions such as the Constitution of the Kingdom of Thailand United Nations Universal Declaration of Human Rights And has introduced the UN Guiding Principles on Business and Human Rights (UNGP) and the principle of protection of rights Respect of rights And remedies for the effects of human rights abuses (Protect, Respect, and Remedy) or the Ruggie Framework.

In which the company is committed to executives, employees, and stakeholders A word about human rights and aims to Business partners, contractors, customers, including local communities Give the same importance And to ensure that the business operations of the company Without violating human rights Therefore has set policies and guidelines for human rights To be implemented throughout the organization

Companies, employees, and stakeholders

The company will comply with labor laws and labor standards. To employees at all levels and contractors fairly without discrimination Open for diversity Accept and value individual differences in terms of gender, sexual orientation, ethnicity, color, family status Disability and mental disabilities Including not using forced labor Not using child labor Not using illegal labor And give equal importance to women No sexual harassment or harassment.

In addition, the company will comply with safety and sanitation laws. With regard to safety at work and respecting the rights of both employees, contractors, communities and neighboring residents. And various related parties And will provide good hygiene in the workplace, such as drinking water, toilets, separate men and women Medical supplies and medicines Employee health check up, both general examination and according to work risk factors

By executives, employees, stakeholders Must understand and study the training regarding laws, regulations, human rights practices And strictly implemented

Joint Ventures (Partners, Contractors, and Customers)

The company aims for partners, contractors and customers to be aware and attach importance to human rights as well. And responsible for their human rights impacts In the event of a human rights violation, the company Expect partners, contractors, and customers to have a solution And manage human rights violations that occur appropriately and fairly

Local community

The company places importance on doing business that is responsible to the community, society and environment. Which will comply with the law Regulations And environmental requirements Therefore has an environmental policy It is a guideline to reduce environmental impacts that will directly affect the rights of communities and society, as well as to build relationships and be good neighbors between the company and the community. Through organizing social compensation activities that the company Organized continuously until today

Monitor and receive complaints.

The company will regularly monitor and assess the risk and impact of human rights. And specifying guidelines or measures for managing risks appropriately, with every department having the duty to supervise and manage the risks under their responsibility.

The company gives the opportunity to the employees or the complainants Who are found guilty of violations of human rights can report clues or complaints Including comments by telephone 0-2017-9999 ext. 200,611 or fax: 0-2017-9999 ext 222 or send a letter to TS Flour Mill Public Company Limited No. 90/9 Moo 1 Pu Chao Samingphrai Road, Samrong Klang Subdistrict, Phra Pradaeng District Samut Prakan 10130, which the company will keep the whistleblowers or complaints as confidential information.

** Human rights policy announced on 27 February 2020 (www.tmill.co.th)



3. Environmental stewardship

The company has implemented environmental best practices based on international standards. And carry out more than the law According to the policy on safety, occupational health and the environment, the company has chosen to use modern technology for the production of wheat flour as the machinery of the brand Buhler from Switzerland. And has a plan to regularly check the machine maintenance Including the production process in each section in detail To comply with the GMP / HACCP system



By the company's wheat flour production process No effect on the environment No waste water from the production process And there is no pollution that affects society There is a preservation of the environment by delivering wheat flour to customers by using a van. Wheat flour is delivered by a car van, equivalent to 30% of the total wheat flour delivery throughout the year. The delivery of flour with this socket helps to prevent the use of sack woven bags to pack wheat flour. Help reduce the production of woven sack bags. Reduce the pollution of garbage Protect the environment

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



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 Corruption) At the ceremony on 7 June 2018

In the year 2019, the company still attaches importance to combating corruption by communicating through various channels. As well as taking care to prevent and fight against corruption in the organization The company No complaints about corruption and corruption Or actions that are considered misconduct of employees both from within and outside the organization.

And always adhere to the spirit of being a member of the Private Sector Collective Action Coalition Against Corruption.

** Announcement of Anti-Corruption and Corruption Policy on 25 October 2017 (www.tmill.co.th)



NO GIFT POLICY

บมจ. ที เอส ฟลาวมิลล์ ขอความร่วมมือ
“งดการมอบของขวัญ”
ในช่วงเทศกาล และในทุกโอกาส
เพื่อยึดมั่นในหลักธรรมาภิบาล และการบริหารงานด้วยความโปร่งใส
ขอขอบคุณในมิตรจิตและปรารถนาดีที่มีต่อกันเสมอมา



บริษัท ที เอส ฟลาวมิลล์ จำกัด (มหาชน)
“โรงงานแป้งสาลีครบวงจรที่มีมาตรฐานการผลิตอันยั่งยืนสู่ผู้บริโภค”



On 10 November 2019, the company announced the No Gift Policy asking for cooperation to accept And give gifts Raising or any other benefit In accordance with the requirements that are correct, open and honest in accordance with good governance principles However, the company Invited Trade partners, customers, related companies And general companies joined as network partners Thai Private Sector Collective Action Against Corruption (CAC)

** Notice for Commercial alliances join the network. Sector Collective Action Coalition
Project Thai Private Sector Against Corruption on November 10, 2019 (www.tmill.co.th)



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,

TMILL

Social projects that comply with the principles of the SDGs.

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.

17 Goals of Sustainable development

1. NO POVERTY	10. REDUCED INEQUALITIES
2. ZERO HUNGER	11. SUSTAINABLE CITIES AND COMMUNITIES
3. GOOD HEALTH AND WELL-BEING	12. RESPONSIBLE CONSUMPTION AND PRODUCTION
4. QUALITY EDUCATION	13. CLIMATE ACTION
5. GENDER EQUALITY	14. LIFE BELOW WATER
6. CLEAN WATER AND SANITATION	15. LIFE ON LAND
7. AFFORDABLE AND CLEAN ENERGY	16. PEACE, JUSTICE AND STRONG INSTITUTIONS
8. DECENT WORK AND ECONOMIC GROWTH	17. PARTNERSHIPS FOR THE GOALS
9. INDUSTRY,INNOVATION AND INFRASTRUCTURE	



17 SDG's main goals



Social development



TS Flour Mill Public Company Limited supports job creation. Create careers for the mentally handicapped to provide opportunities for disabled people to participate in social work at the workplace. Have a good mental state And still have income to support himself and his family With a work report from the department that the disabled person is working to send to every 6 months

Goal :

1. To enable the disabled to live with people in society Do activities with others
2. to enable the disabled to practice life And working with colleagues.
3. To be acceptable to society.
4. To enable the disabled to have income to support themselves and their families.

Result:

The CSR team visits the disabled to encourage and organize activities to promote relationships throughout the year.



In 2019, TS Flour Mill Public Company Limited organized the activity "TMILL Panrak Pan Nam Jai for Psychiatric Patients" on Monday 25 February 2019 at Srithanya Hospital. To visit the mentally handicapped persons that the company has supported in the employment of the disabled And is an encouragement for the mentally handicapped to continue living in the future Join to feed the mentally disabled patients. And jointly plant trees To give encouragement and to create a shady environment in medical institutions

Goal :

1. For outsiders to get to know TS Flour Mill Public Company Limited more.
2. To encourage the mentally ill. To continue life.
3. Participate in activities with patients with symptoms of respiration. So that patients can adjust to the outside.
4. To strengthen the staff to raise awareness And have compassion for the mentally ill Promote and support For people with better symptoms To be able to make a career And can live life in society.

Result :

Mental patients Participants are given happiness and content. And does not feel neglected by outsiders Patients know to adapt to outsiders more



TS Flour Mill Public Company Limited donated scholarships to students with good grades at Punhangsawat School on March 29, 2019 to support education for students in grade 6th with good grades In order to apply for a scholarship to further their education in Grade 7

Goal :

1. In order to encourage students with good grades to have encouragement and commitment in learning at grade 1.
2. To ease the financial burden of parents. And increase educational opportunities.
3. To instill students with responsibility in their education. And is a delivery of quality personnel to society which TS Flour Mill Public Company Limited would like to be a part in helping society.

Result :

1. The external community provides support and cooperation in the implementation of the company's project.
2. The company is recognized for its good image in helping society.



TS Flour Mill Public Company Limited joins Thai culture Songkran Festival 2019 on April 9, 2019 at the company office building. On the occasion of Thai Songkran Day or New Year's Day The company saw therefore holding a bathing ceremony for Phra To allow all employees and executives to do activities together For unity and to hold the mind

Goal :

1. In order to carry on Thai culture And good traditions of Thailand.
2. Strengthening good relations between employees within the organization.
3. To strengthen unity among employees.

Result : Preserve Thai traditions that have existed since ancient times Reducing inequality for everyone, regardless of age, gender and physical disabilities, ethnicity, ethnic origin, or religion, and employees get to know each other better. Which is a good result for further collaboration



TS Flour Mill Public Company Limited organized a training on understanding and complying with the Green Industry Level 3 on Saturday May 4, 2019 due to TS Flour Mill Public Company Limited Foresaw that present day-to-day life Social change Or running various businesses that will affect the environment and cause natural disasters, the world is changing. Which will have an adverse effect on the lives of people and the economies of various countries on this planet

Goal :

1. To provide employees with knowledge of the background and importance of green industry certification
2. To be aware of benefits derived from green industry certification
3. To be aware of the green industry level 3 criteria and guidelines Practice
4. To be aware of the green industry certification process level 3

Result : Employees have knowledge and understanding of the green industry level 3 criteria and guidelines.

Greenhouse gas emission reduction project From the energy conservation plan

TS Flour Mill Public Company Limited understands environmental problems that have intensified and have a wide impact. As the company Is part of society. The company therefore places emphasis on the management of environmental problems. Which is managed by having an EIA policy Arrange for a wall-wall project to reduce noise pollution to the community Project to prevent dust loading rice boat bao Greenhouse gas emission reduction project By controlling the amount of dust, odor, and noise to be in a better level than the laws / regulations 56-2 Year 2017.

Mitigation of environmental impact

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 continuity in business operations. For this reason The company therefore tries to operate the business by considering the negative impact on the environment throughout the process and conducting production activities that cause an impact. With the goal "Mitigate environmental impact" along with "Reduce the use of resources efficiently" to promote environmental quality and maintain a balanced ecology in the area continuously and sustainably. 56-2 Year 2019

Safety & Energy Day 2019 activity on 6 July 2019



The company has a policy to reduce accidents at work to zero. By requiring employees at all levels Participate in policy responses To achieve common goals, there are activities that promote safety at work. Let employees know how to work safely. To create unity within the organization And in order to relax from the routine work for employees By considering to raise awareness about safety as important.

Goal :

1. For create awareness about safety at work
2. For create unity within the organization
3. For encourage employees to participate in safety
4. To enable employees to know how to prevent accidents correctly.
5. To comply with the requirements of safety laws that are defined.
6. To enable employees to participate in safety promotion activities.
7. To convey the intention of Executives that give importance to work safety for employees.

Project evaluation results :

Employees have knowledge, understanding about safety and energy conservation, can apply the knowledge gained from Safety & Energy Day activities to work efficiently and effectively, Safety & Energy Day 2019

Assessment for monitoring the treatment of the ISO 22000 / GMP / HACCP systemOn 20 November 2019

TS Flour Mill Public Company Limited has been audited to monitor system maintenance performed before the new audit cycle. And confirms the existence and continues to comply with the criteria set by the ISO 22000 / GMP / HACCP system. SGS (Thailand) Company Limited, which is the Office of Quality Inspection of Products, Products or Food such as agriculture, fumigation, agricultural products, consumer products, industrial services Minerals Analysis / Marine, Petroleum and Petrochemical Laboratory Electronic commerce Various quality certifications such as ISO 9000, ISO 1400, SA 8000, QS 9000, GMP, HACCP SQF 2000, BRC and other standards.

Goal : In order to confirm the existence and ensure that the system still meets the specified criteria In order to maintain the standard of the best products And to build trust among consumers and stakeholders And does not stop to improve quality And standards to improve all the time

Project evaluation results : TS Flour Mill Public Company Limited is still evaluated and in accordance with the criteria set by the ISO 22000 / GMP / HACCP system.

Operations and report preparation

The company produces a single sustainability report combined with the annual information form (56-1) and annual report (56-2).

Business practices that affect social responsibility

-None-

The company has joined to support such activities. In the amount of 500,000 baht and supporting the team responsible for the company's CSR project as part of the activity to donate the Survivor Planner at public and private hospitals in Bangkok and its vicinity too.

Internal control and risk management

Risk management

Board of directors Has established a risk management working group In the duty of considering and proposing the risk management policy, work plan and performance to the Board of Directors by evaluating and analyzing risks both external and internal factors that may affect the company's business operations. States Significantly and in a timely such as financial risk Operational risk Marketing and competition risk Strategic risk from government policy Risk from receivables management Risk from property risk management from relying on various factors, etc., in order to specify measures and plans for risk management and risk mitigation Risk monitoring As well as assigning relevant departments to regularly monitor and report such risks. 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 Ccompany has managed strategic 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, managing the internal control system It is considered a management tool to achieve the company's goals, which the company adheres to the internal control guidelines of The Committee of Sponsoring Organization of the Treadway Commission (COSO) which has been revised in 2019 to be used in administrative operations Can be summarized as follows

Internal control in the organization

The Board of Directors and the management have established good business ethics and ethics. For the Board, management and staff to adhere to as a guideline.

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 has analyzed and identified risks that have an impact on business operations. Determining risk response methods at both the organizational and activity levels As well as to assess and analyze various risks that may change or tend to occur in a timely manner Including risks that may cause fraud or inappropriate behavior

The company has clear objectives set for the operation. Reporting both financial and non-financial data This includes complying with relevant laws and determining acceptable risk levels.

The company has criteria for risk surveying and analysis in 2 years / times. Therefore, the company would like to report the progress of each project that is still at risk. And completed the risk resolution in 2013, including the company Have made a high risk control plan In the risk control plan for the year 2019 through the risk management working group meeting / executive management meeting And present to the audit committee Board of Directors in the survey and risk analysis

Operational 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 assigned the company Dharmniti Auditing Company Limited is an independent internal auditor of the company. And report directly to the audit committee Responsible for examining and evaluating the efficiency and effectiveness of the internal control system Including information systems To ensure that Normal business operations and significant financial activities of the company. Proceeded according to the specified guidelines and with sufficient efficiency Including inspections of compliance with laws and regulations Related to the company In addition, the annual internal audit plan must be submitted and approved by the audit committee. By using the audit criteria based on the risk assessment results (Risk Based Audit Approach and adhere to the internal auditing guidelines of The Committee of Sponsoring Organization of the Treadway Commission (COSO) By reporting the detected defects Along with the progress of business revisions to the Audit Committee on a quarterly basis
- The company has a legal department to control and review operations in accordance with the law. Rules and regulations of relevant agencies as well as operating in accordance with the operation manual of various departments By reporting to the managing director and the audit committee
- In the Board of Directors' meeting in year 2018, the Board of Directors Assessed the internal control system in accordance with the guidelines of the Office of the Securities and Exchange Commission. The company has an effective and sufficient internal control system.

Summary of the assessment of the adequacy of the internal control system for the year 2019**Concepts and Target**

Assessment form for adequacy of internal control systems Is a tool for internal control management and internal control evaluation To help the Board of Directors determine whether Does the internal control system be appropriately and adequately designed ? and How should it be improved ?

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 a suitable internal control system. And sufficient to oversee the operations to meet the goals, objectives, laws, relevant requirements and efficiency.

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 2019 ended on 31 December 2019 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 directly holding 98.82% of the company's shares before 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 of the paid-up capital from the exercise of rights to purchase the additional ordinary shares of warrants to purchase ordinary shares. Of the company in the year 2016-2018 - TSTE และ TMILL there are 8 common directors in which all of the company's directors Except for the 3 audit committee members and Dr. Supasorn Chayowan are also the directors of TSTE
TSG Asset Co., Ltd. ("TSA")	Real estate rental business	Related company with joint parent company TSTE and common directors By all directors of the company Except the audit committee is also a member of the TSA
TS Oil Industry Co., Ltd. ("TSO")	Palm oil refinery plant business	Related company with joint parent company TSTE and common directors By all directors of the company Except the audit committee is also a member of TSO
TS Transport and Logistics Co., Ltd. ("TSTL")	Doing business in sacking, shipping and security services	Related company with joint parent company TSTE and common directors By all directors of the company Except that the audit committee is also a member of TSTL
TS Inventory CO., Ltd ("TS")	Operates a warehouse business	Related company with joint parent company TSTE and common directors By all directors of the company Except the audit committee is also a member of TS

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 2019	
TSTE	TMILL	<p>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</p>	5.4	5.4	<p><u>Necessity of the transaction</u> 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> 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> 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 2019	
TSTE	TMILL	<p>The company rented warehouses from TSTE 2 warehouses, namely</p> <p>1. Warehouse 8, area of 1,650 square meters</p> <p>2. Warehouse 9, area of 1,650 square meters</p> <p>By both warehouses Approved for a 30-year lease agreement, starting from 1 April 2014 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</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 warehouse is located in the vicinity of the company's factory. Convenient to transport</p> <p><u>Reasonable price</u></p> <p>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</p> <p><u>The opinion of Audit Committees</u></p> <p>Audit Committees examine the least and think that the price, and conditions are sensible, reasonable.</p>
TSTE	TMILL	<p>The company 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.</p>	4.2	4.2	<p><u>The importance of item</u></p> <p>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</p> <p><u>Reasonable price</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>Audit Committees</u> examine the least and think that the price, and conditions are sensible, reasonable.</p>



Landlord	Tenant	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2018	Jan – Dec 2019	
TSTE	TMILL	The company rented warehouses for 1 group of warehouses, is 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	0.7	-	<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. 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 2019	
TSTE	TMILL	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	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 In the event that the company has insufficient storage space, the said warehouse is located in the vicinity of the company's factory. 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>
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	-	<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. 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

Seller/ provider	Buyer / customer	Description/Conditions	The cost of items		The importance and reasons of each items
			Jan – Dec 2018	Jan – Dec 2019	
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	0.1	<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 conditions 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 2019	
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	1.7	<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	-	<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> <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		ความจำเป็นและความสมเหตุสมผลของรายการ
			Jan – Dec 2018	Jan – Dec 2019	
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	63.1	<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. 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, 2019
TSTE	Deposit for rent of land and warehouse	1,964
	Other accrued expenses	25,204
	Accrued dividend	-
TSTL	Trade payables	-
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. 2/2020 on February 27, 2020 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.



The report of Auditors

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

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
2019 Mr.Naris Saowalaksakul	Certified Public Accountant	No.5369 AMC	Office Company Limited

2) The summary of Auditing by An Auditor for past 4 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.
- 2019 The auditors have audited the financial statements by an unqualified opinion.

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Income Statement

(Unit : Million Baht)

List	Financial Statements						Statement of Change
	2017		2018		2019		
	Amount	%	Amount	%	Amount	%	%
Income							
Revenue from sales	1,303.3	99.8	1,399.8	99.6	1,476.4	99.4	5.5
Other incomes	2.8	0.2	5.7	0.4	9.4	0.6	65.0
Total revenues	1,306.1	100.0	1,405.5	100.0	1,485.8	100.0	6.2
Operating expenses							
Cost of sales	1,030.9	78.9	1,131.9	80.5	1,229.1	82.7	8.6
Selling expense	30.6	2.3	31.8	2.3	32.5	2.2	2.3
Administrative expense	95.9	7.3	93.9	6.7	90.1	6.1	(4.0)
Total Expenses	1,157.4	88.6	1,257.5	89.5	1,351.7	91.0	8.1
Profit (Loss) before finance costs and income tax expense	148.7	11.4	147.9	10.5	134.1	9.0	(9.3)
Finance costs	15.3	1.2	13.4	1.0	7.1	0.5	(46.7)
Profit before income tax expense	133.4	10.2	134.5	9.6	127.0	8.5	(5.6)
Income tax expense	28.0	2.1	27.9	2.0	25.7	1.7	(8.0)
Profit (Loss) for the year	105.5	8.1	106.6	7.6	101.3	6.8	(5.0)
Earnings (loss) per share1	0.3079		0.3014		0.2541		(15.7)
Total authorized number of ordinary shares (1,000 Shares)	342.6		353.7		398.7		0.0



Statement of Financial Position

(Unit : Million Baht)

List	Financial Statements						Statement of Change
	2017		2018		2019		
	Amount	%	Amount	%	Amount	%	%
Assets							
Current assets							
Cash and cash equivalents	76.2	4.3	78.5	5.0	70.7	5.3	(9.9)
Trade receivables (Net)	169.9	9.6	176.4	11.2	189.3	14.1	7.3
Other receivables	3.8	0.2	2.7	0.2	1.0	0.1	(62.0)
Short-term loans to related parties	-	-	-	-	-	-	
Temporary investments	-	-	-	-	-	-	
Accrued compensation from the insurance company	-	-	-	-	-	-	
Inventories	800.5	45.1	645.2	40.8	436.5	32.6	(32.3)
Other current assets	1.2	0.1	0.7	0.0	0.6	0.0	(13.2)
Total current assets	1,051.6	59.3	903.5	57.1	698.3	52.1	(22.7)
Non-current assets							
Long-term loans	-	-	-	-	-	-	
Property, plant and equipment	717.5	40.5	674.3	42.6	637.2	47.6	(5.5)
Deferred tax assets	1.8	0.1	1.9	0.1	1.6	0.1	(16.4)
Other non-current assets	2.2	0.1	2.1	0.1	2.3	0.2	7.8
Total non-current assets	721.5	40.7	678.3	42.9	641.0	47.9	(5.5)
Total assets	1,773.1	100.0	1,581.8	100.0	1,339.2	100.0	(15.3)



(Unit : Million Baht)

List	Financial Statements						Statement of Change
	2017		2018		2019		
	Amount	%	Amount	%	Amount	%	%
Liabilities							
Current liabilities							
Short-term loans from financial institutions	595.7	33.6	423.7	26.8	251.5	18.8	(40.7)
Bank overdrafts	-	-	-	-	-	-	100.0
Trade payables							
Related parties	2.1	0.1	0.1	0.0	0.0	0.0	(100.0)
Others	263.3	14.8	85.5	5.4	9.0	0.7	(89.5)
Expenses payable	26.6	1.5	27.4	1.7	26.8	2.0	(2.5)
Income tax payable	11.2	0.6	14.2	0.9	13.2	1.0	(6.7)
Other current liabilities	21.2	1.2	19.3	1.2	14.0	1.0	(27.7)
Total current liabilities	920.1	51.9	570.2	36.0	314.4	23.5	(44.9)
Non-current liabilities							
Long-term loans from financial institutions	-	-	-	-	-	-	100.0
Employee benefit liabilities	0.8	0.0	1.9	0.1	2.6	0.2	38.1
Rent payable	18.6	1.0	22.3	1.4	25.2	1.9	13.2
Total non-current liabilities	19.4	1.1	24.1	1.5	27.8	2.1	15.1
Total liabilities	939.5	53.0	594.3	37.6	342.2	25.5	(42.4)



(Unit : Million Baht)

(Unit : Million Baht)

List	Financial Statements						Statement of Change
	2017		2018		2019		
	Amount	%	Amount	%	Amount	%	%
Shareholders' equity							
Authorized and paid-up share capital	344.7	19.4	398.7	25.2	398.7	29.8	0.0
Surples on revaluation of property							
Surplus Exchange	284.0	16.0	338.0	21.4	338.0	25.2	0.0
Retained earnings							
Appropriated - Legal reserve	33.0	1.9	38.4	2.4	39.9	3.0	3.9
Unappropriated	171.9	9.7	212.4	13.4	220.5	16.5	3.8
Total shareholders' equity	833.6	47.0	987.5	62.4	997.1	74.5	1.0
Total liabilities and shareholders' equity	1,773.1	100.0	1,581.8	100.0	1,339.2	100.0	(15.3)



Cash Flows

(Unit : Million Baht)

List	Financial Satatements		
	2017	2018	2019
Cash flows from investing activities			
Purchased of plant and equipments			
Cash paid for interest capitalized to cost of assets	133.4	134.5	127.0
Cash received from sale of plant and equipment			
Cash paid for machines deposited	(1.8)	1.3	(0.4)
(Increase) Decrease in others non-current assets	(1.0)	-	-
Net cash used in investing activities	48.7	48.8	48.7
Cash flows from financing activities	0.2	0.1	-
Increase (Decrease) in short-term loans from financial institutions	0.5	(0.8)	-
Proceeds from long-term debts	-	-	-
Acquisition in capital interests	0.1	0.4	0.7
Payments of finance lease	-	-	-
Payments of long-term loans	(0.2)	(0.1)	(0.1)
Dividends paid	14.8	13.1	6.7
Net cash received (used) in financing activities	194.8	197.3	182.6
Cash and cash equivalent items increase(decrease)-net			
Cash and cash equivalent items at the beginning of the year	9.3	(6.7)	(10.9)
Cash and cash equivalent items at the end of the year	(267.3)	155.3	208.7
Cash and cash equivalents at the beginning of the year	(0.7)	0.4	0.1
Cash and cash equivalents at the end of the year	-	0.1	(0.2)
Cash flows from investing activities			
Purchased of plant and equipments			
Cash paid for interest capitalized to cost of assets	(45.8)	(171.9)	(82.2)
Cash received from sale of plant and equipment	7.0	(7.3)	0.4
Cash paid for machines deposited	-	(0.4)	-
(Increase) Decrease in others non-current assets	3.6	3.6	2.9
Net cash used in investing activities	(99.1)	170.3	301.5
Cash flows from financing activities	0.2	0.1	0.1
Increase (Decrease) in short-term loans from financial institutions	(26.8)	(24.8)	(26.3)
Proceeds from long-term debts	(125.7)	145.6	275.3



(Unit : Million Baht)

List	Financial Satatements		
	2017	2018	2019
Cash flows from operating activities			
Profit before income tax expense	(23.2)	(5.7)	(12.3)
Adjustments for	-	-	-
Doubtful (Reversal)	1.2	-	-
Depreciation	-	-	-
Allowance for decline in value of inventories	-	-	-
Unrealized gain (loss) on foreign currency exchange	(22.0)	(5.7)	(12.3)
Income compensation			
Employee benefit expense	212.9	(172.0)	(172.2)
Profit from actuarial estimates.	(14.0)	(13.8)	(6.9)
Interest income	-	-	-
Interest expense	4.9	107.9	-
Profit provided by operating activities before	-	-	-
changes in operating assets and liabilities	-	-	-
Decrease (increase) in operating assets	(85.6)	(59.8)	(91.7)
Trade and other receivables	118.2	(137.7)	(270.8)
Inventories	(29.5)	2.2	(7.7)
Other current assets	105.7	76.2	78.5
Other non-current assets	76.2	78.5	70.7



Financial ratio

List	Unit	Financial Satatements		
		2017	2018	2019
Cash flows from investing activities				
Purchased of plant and equipments				
Cash paid for interest capitalized to cost of assets	Time	1.14	1.58	2.22
Cash received from sale of plant and equipment	Time	0.27	0.45	0.83
Cash paid for machines deposited	Time	NA	0.20	0.62
(Increase) Decrease in others non-current assets	Time	7.11	7.72	7.79
Net cash used in investing activities	Day	50.65	46.63	46.22
Cash flows from financing activities	Time	1.55	1.57	2.27
Increase (Decrease) in short-term loans from financial institutions	Day	232.68	229.89	158.41
Proceeds from long-term debts	Time	3.54	6.45	25.98
Acquisition in capital interests	Day	101.64	55.82	13.86
Payments of finance lease	Day	181.70	220.70	190.78
Payments of long-term loans				
Dividends paid		20.90	19.14	16.75
Net cash received (used) in financing activities	%	11.19	10.16	8.45
Cash and cash equivalent items increase(decrease)-net	%	0.22	0.40	0.63
Cash and cash equivalent items at the beginning of the year	%	NA	102.37	220.70
Cash and cash equivalent items at the end of the year	%	8.08	7.58	6.82
Cash and cash equivalents at the beginning of the year	%	12.85	11.71	10.21
Cash and cash equivalents at the end of the year	%			
Cash flows from investing activities				
Purchased of plant and equipments				
Cash paid for interest capitalized to cost of assets		6.32	6.35	6.93
Cash received from sale of plant and equipment	%	21.12	22.33	22.87
Cash paid for machines deposited	%	0.78	0.84	1.02
(Increase) Decrease in others non-current assets	Time			
Net cash used in investing activities				
Cash flows from financing activities		1.13	0.60	0.34
Increase (Decrease) in short-term loans from financial institutions	Time	NA	13.96	43.15
Proceeds from long-term debts	Time	1.21	0.61	1.0
Acquisition in capital interests	Time	81.11	56.10	90.53
Payments of finance lease	%			
Payments of long-term loans		2.42	2.48	2.50
Dividends paid	Baht	0.3079	0.3014	0.2541

Management Discussion and Analysis

Overall result

Results of operations and financial position of TS Flour Mills Co., Ltd. (Thailand) in 2019 can be summarized as follows.

Income

For the year 2019, the company had sales revenue at 1,476.4 million baht, an increase of 5.5 percent from the previous year at 1,399.8 million baht. The sales volume of flour increased by 5.4 percent and the average price was the same. Other income was 9.4 million baht, an increase of 3.7 million baht from the previous year, with gains from foreign exchange that the company Have made risk protection With other incomes equal to 0.6 percent of total income

Costs and expenses

For the year 2019, the cost of wheat adjusted, therefore, the company's cost of sales was 1,229.1 million baht, representing 83.3 percent of sales revenue. Higher than the company's cost of sales ratio In the previous year which stood at 80.9 percent

In the year 2019, the company had selling expenses of 32.5 million baht, equivalent to 2.2 percent of sales revenue. Decreased from the proportion of the previous year at 2.3 percent which is the same amount

The company has administrative expenses equal to 90.1 million baht. The main items Of administrative expenses consist of Staff expenses Depreciation Utility bills Land rental, warehouse rental fees, and general maintenance and repair fees Which if accounted for the proportion of the administrative expenses of the company On sales revenue will be found at 6.1 percent, decreased from the proportion of last year Which is 6.7 percent, mainly due to the year 2019, staff expenses decreased from 2018

Profit

In the year 2019, the gross profit margin of the company Stood at 16.7 percent, less than the company's gross profit margin In the same period of the previous year which stood at 19.1 percent due to the increase in raw material prices

The company has a net profit of 101.3 million baht in the year 2019, when compared to the same period of the previous year, the net profit decreased by 5.3 million baht, equivalent to 5.0 percent, with a total revenue of 1,476.4 million baht, an increase of 5.5 percent. The sales volume of wheat flour increased by 5.4 percent from the previous year and the average selling price of wheat flour remained the same.

Asset

The company's total assets at the end of 2019 were 1,339.2 million baht, which is less than at the end of 2018 of 242.6 million baht, representing a decrease of 15.3 percent, mainly due to reduced inventories.

Accounts receivable

At the end of the year 2019, the company had net trade receivables equal to 189.3 million baht, an increase of 7.3 percent from the end of 2018, which was 176.4 million baht. Are trade accounts receivable of unrelated parties

The company evaluates the allowance for doubtful accounts by analyzing the payment history. And forecasts of future debt collection of each account receivable which is likely to not be received for the year 2019. The company has written off bad debts in the amount of 2.8 million baht and bad debt received in the amount of 0.4 million baht

Inventories

At the end of the year 2019, the company had inventories equal to 436.5 million baht, decreased from the inventories at the end of 2018 which was 645.2 million baht or 32.3 percent and if the proportion of inventories compared with total assets would be at percent 32.6 At the end of the year 2019, down from 40.8 percent at the end of the year 2018, at the end of the year 2019, most inventories are raw materials in stock and raw materials in transit Which this significant reduction Due to the reserve of raw materials at the end of 2019 is less than at the end of 2018

Building and equipment, net

The company's office buildings, factories, warehouses, and silo phase 1 are located on leased land for a period of 30 years from 1 August 2010 to 31 July 2040. The company's phase 2 silo is located on the warehouse rental area 30, the contract period is 30. Year from April 1, 2014 to March 31, 2087, which the company leased the 2 areas from Thai Sugar Terminal Public Company Limited ("TSTE")

As of the end of 2019, the company had fixed assets in the amount of 637.2 million baht, equivalent to the total assets of the company. Stood at 47.6 percent, mainly consisting of machinery and equipment Factory buildings and building improvements Utilities Furniture and office equipment and vehicles

Ratio showing operational efficiency

The Company has return on assets and fixed assets in 2019 at 6.93 and 22.87 percent, respectively, which is higher than in 2018.

In the year 2018-2019, the company has the asset turnover rate of 0.84 and 1.02 times respectively.

Liquidity and sources of funds of the company**Cash flow**

In the year 2019, the company had net cash flows from operating activities equal to 275.3 million baht, with the main item being the profit before corporate income tax in the amount of 127.0 million baht which when adjusted with various items such as depreciation and interest paid Operating before changes in operating assets and liabilities at 182.6 million baht .

In addition, there was an increase in trade receivables of 10.9 million baht, a decrease of inventories in the amount of 208.7 million baht and a decrease in trade accounts payable of 82.22 million baht, most of which were foreign trade creditors. By the foreign trade payables of the company Will occur while the supplier of raw materials to the company Has brought raw materials onto the ship but the Bill of Lading has not arrived yet

The company has cash flows from investing activities of 12.3 million baht, which is the purchase of fixed assets. The company has cash flows from financing activities of 270.8 million baht, which are short-term loans from financial institutions for payment. Wheat, the main raw material for production, of 172.2 million baht and dividends of 91.7 million baht

Current ratio

The increase in the current ratio in the year 2019 from the year 2018 is due to the decrease in current assets which is less than current liabilities. Current assets at the end of 2019 decreased by 22.7 percent from the end of 2018, mainly due to the decrease in inventories. Current liabilities at the end of 2019 decreased by 44.9 percent from the end of 2018, most of which were short-term loans from financial institutions and other creditors.

Debt

As of the end of 2019 and 2018, the Company had total liabilities of 342.2 million baht and 594.3 million baht respectively. The decrease in total liabilities in 2019 is mainly due to the reduction of short-term loans from financial institutions to pay for raw materials. The main liabilities of the company Is an interest bearing debt

At the end of the year 2019, the company has an interest bearing debt of 251.5 million baht, equivalent to the shareholders' equity of the company equal to 0.25 times, a decrease from the end of 2018 which is 0.43 times while the funds from Shareholders equals to 997.1 million baht and 987.5 million baht at the end of 2019 and 2018 respectively.

Shareholders' equity

At the end of the year 2019, the Company had total shareholders' equity of 997.1 million baht, an increase of 9.6 million baht from the end of 2018, due to a total profit of 101.3 million baht and dividend payment of 91.7 million baht.

Capital structure

Debt to equity ratio at the end of the year 2019 and 2018 is equal to 0.34 times and 0.60 times respectively. The decrease in debt to equity ratio at the end of 2019 is mainly due to the decrease of Short-term loans from financial institutions and other payables caused the total liabilities to change by 42.4% while the shareholders' equity increased by 1.0% compared to the end of the year 2561

Auditor's remuneration

The company has audit fees in the year 2019 in the amount of 710,000.00 baht and other service fees. In the amount of 60,000.00 baht, equal to the year 2018



Report of the committees responsibility in doing financial (2019)

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, 2019 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, 2019.

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

Yaovanuth Dejvitak
(Mrs. Yaovanuth Dejvitak)
Executive Director & Managing Director



Part II

T S Flour Mill Public Company Limited

Financial Statement For the Year's Ended 2019

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, 2019, and statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements and a summary of significant accounting policies.

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, 2019, 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.

Other matter

The financial statements of T S FLOUR MILL PUBLIC COMPANY LIMITED for the year ended December 31, 2018, which presented for comparative information purposes, were audited by another auditor in the same audit firm, who expressed an unqualified opinion on those financial statement in her report dated February 28, 2019.

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

The adequacy of allowance for doubtful accounts is one of key matters that the management is required to make significant judgement. Determination the recoverable amount is an inherently uncertainty involving various assumption and factors including the current financial status of receivables, aging of receivable and the payment historical data. As aforementioned matter is significant to the financial statements and involves a significant management judgment and various assumptions applied; therefore, I have determined as a key audit matter. The accounting policies and details of allowance of doubtful accounts were disclosed in note to financial statements No. 3.2 and 6.

How my audit addressed the key audit matter

I assessed the method and gaining an understanding of the basis applied in determining the allowance for doubtful debts and reviewing the consistency of the application of that basis. I reviewed the preparation of the accounts receivable aging report and examined the accuracy of the calculation of debt aging, examining subsequent collections especially receipt from long outstanding receivable, examining any disputed receivable and any receivable which has legal proceeding and examining the provisions set aside for specific trade receivables as well as evaluating the adequacy of related disclosures in the financial statements in accordance with Thai Financial Reporting Standards.

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.

(Mr. Naris Saowalagsakul)

Certified Public Accountant Registration No. 5369

Bangkok,

February 27, 2020

T S FLOUR MILL PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITIONS
As at December 31, 2019

		(Unit : Baht)	
	Notes	2019	2018
<u>Assets</u>			
Current assets			
Cash and cash equivalent items	5.2	70,717,449	78,450,570
Trade and other receivables	6	190,370,193	179,144,232
Inventories	7	436,527,999	645,206,019
Other current assets		646,316	744,540
Total current assets		698,261,957	903,545,361
Non-current assets			
Plant and equipment	8	637,153,776	674,319,318
Deferred tax assets	9	1,553,591	1,858,559
Other non-current assets		2,260,181	2,097,256
Total non-current assets		640,967,548	678,275,133
Total assets		1,339,229,505	1,581,820,494

These financial statements have been approved by the Annual General Shareholders' Meeting No. 1/2020 held on April 30, 2020

.....
 (Mr.Narong Chenlapwatanakul)

Executive Director

.....
 (Mrs.Yaovanuth Dejvitak)

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, 2019

(Unit : Baht)

	Notes	2019	2018
<u>Liabilities and shareholders' equity</u>			
Current liabilities			
Short-term loans from financial institutions	11	251,458,278	423,689,423
Trade and other payables	12	41,954,306	125,000,723
Accrued income tax payable		13,201,063	14,151,181
Other current liabilities		7,773,506	7,374,165
Total current liabilities		314,387,153	570,215,492
Non-current liabilities			
Employee benefit obligations	13	2,579,016	1,867,866
Other non-current liabilities	4.1	25,191,203	22,253,167
Total non-current liabilities		27,770,219	24,121,033
Total liabilities		342,157,372	594,336,525

These financial statements have been approved by the Annual General Shareholders' Meeting No. 1/2020 held on April 30, 2020

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mrs.Yaovanuth Dejvitak)

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, 2019

		(Unit : Baht)	
	Notes	2019	2018
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	398,664,061
Premiums on ordinary shares	14 and 15	337,984,655	337,984,655
Retained earnings			
Appropriated			
Legal reserve	15	39,900,000	38,400,000
Unappropriated		220,523,417	212,435,253
Total shareholders' equity		997,072,133	987,483,969
Total liabilities and shareholders' equity		1,339,229,505	1,581,820,494

These financial statements have been approved by the Annual General Shareholders' Meeting No. 1/2020 held on April 30, 2020

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mrs.Yaovanuth Dejvitak)

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, 2019

		(Unit : Baht)	
	Notes	2019	2018
Revenue from sales		1,476,449,459	1,399,788,607
Cost of sales	7	(1,229,148,029)	(1,131,925,951)
Gross profit		247,301,430	267,862,656
Gain from exchange rate		7,548,309	4,222,229
Other income		1,829,246	1,459,468
Selling expenses		(32,508,414)	(31,769,286)
Administrative expenses		(90,057,359)	(93,850,247)
Finance cost		(7,141,379)	(13,392,728)
Profit before income tax		126,971,833	134,532,092
Income tax expenses	19	(25,690,965)	(27,936,644)
Profit for the year		101,280,868	106,595,448
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		101,280,868	105,762,346
Earnings per share	20		
Basic earning per share		0.25	0.30

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mrs.Yaovanuth Dejvitak)

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, 2019

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premiums on share capital	Retained Earnings		Total shareholders' equity
				Appropriated legal reserve	Unappropriated	
Balance as at January 1, 2018		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
Profit for the year		-	-	-	101,280,868	101,280,868
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the years		-	-	-	101,280,868	101,280,868
Appropriated legal reserve	15	-	-	1,500,000	(1,500,000)	-
Dividend paid	16	-	-	-	(91,692,704)	(91,692,704)
Balances as at December 31, 2019		398,664,061	337,984,655	39,900,000	220,523,417	997,072,133

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mrs.Yaovanuth Dejvitak)

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, 2019

(Unit : Baht)

	2019	2018
Cash flow from operating activities		
Profit before income tax	126,971,833	134,532,092
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities :-		
Doubtful accounts (reversal)	(374,666)	1,327,002
Depreciation	48,665,162	48,835,069
Loss from disposed/written-off fixed assets	11,187	93,799
Unrealized gain on exchange rate	(11,319)	(834,169)
Employee benefits expenses	711,150	371,382
Interest income	(147,088)	(132,424)
Interest expenses	6,724,096	13,067,782
Profit from operation before changes in operating assets and liabilities	182,550,355	197,260,533
Operating assets (increase) decrease		
Trade and other receivables	(10,850,267)	(6,713,434)
Inventories	208,678,020	155,265,093
Other current assets	98,225	409,904
Other non-current assets	(162,925)	65,613
Operating liabilities increase (decrease)		
Trade and other payables	(82,163,895)	(171,949,576)
Other current liabilities	399,341	(7,312,904)
Employee benefits obligations	-	(371,487)
Other non-current liabilities	2,938,035	3,638,009
Cash received from operating activities	301,486,889	170,291,751
Interest received	146,060	132,997
Income tax paid	(26,336,116)	(24,806,085)
Net cash received from operating activities	275,296,833	145,618,663

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mrs.Yaovanuth Dejvitak)

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, 2019

		(Unit : Baht)	
	Note	2019	2018
Cash flow from investing activities			
Cash paid for assets purchased		(12,253,811)	(5,755,379)
Cash received from sale of plant and equipment		2,804	26,435
Net cash used in investing activities		(12,251,007)	(5,728,944)
Cash flow from financing activities			
Decrease in short-term loan from financial institutions		(172,231,145)	(171,964,737)
Interest paid		(6,855,098)	(13,826,044)
Cash received from increased ordinary shares		-	107,915,270
Dividend paid		(91,692,704)	(59,799,579)
Net cash used in financing activities		(270,778,947)	(137,675,090)
Cash and cash equivalent items increase (decrease)-net		(7,733,121)	2,214,629
Cash and cash equivalent items at the beginning of the year		78,450,570	76,235,941
Cash and cash equivalent items at the end of the year	5.2	70,717,449	78,450,570

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mrs.Yaovanuth Dejvitak)

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, 2019

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.

.....
 (Mr.Narong Chenlapwatanakul)

Executive Director

.....
 (Mrs.Yaovanuth Dejvitak)

Managing Director

The presentation of financial statements is in accordance with the determination stated in the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act, B.E. 2543.

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

2.3 New financial reporting standards

2.3.1 New and revised financial reporting standards that became effective in the current year

During the year, the Company has adopted revised and new financial reporting standards and financial reporting interpretations (revised 2018) including guidance promulgated issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2019. 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

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2019) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards and revised due to publish the new financial reporting standards. The management of the Company believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments and leased which involves changes to key principles. The new accounting standards, financial reporting standards and interpretations are as follows :-

.....
(Mr.Narong Chenlapwatanakul)

Executive Director

.....
(Mrs.Yaovanuth Dejvitak)

Managing Director

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS)</u>	
TAS 32	Financial Instruments: Presentation
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRS 16	Leases
<u>Thai Financial Reporting Interpretations (TFRIC)</u>	
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Company is currently evaluating the impact of these financial reporting standards to the financial statements in the year when they are adopted.

- 2.4 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.

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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.

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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.

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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	5-30	years
- Machine and equipment	5-30	years
- Utilities	5-20	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.

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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.

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- 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 Revenue are recognized when customer control of the goods in an amount that reflects the consideration to which the entity expects to be entitled excludes value added taxes and present net off trade discounts: -
- 3.12.1 Revenue from sales are recognized at the point in time when control of the goods are transferred to the customer, generally on delivery of the goods.
- 3.12.2 Interest Revenue are recognized on an accrual basis based on the actual return.
- 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.

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Deferred tax

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

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

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

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.

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- 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.

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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>2019</u>	<u>2018</u>
- Deposit payment-included in other non-current assets		
Parent company	1,963,980	1,738,300
- Trade payable		
Related company	-	131,803
- Other accrued expenses		
Parent company	12,973	13,245
- Other non-current liabilities		
Parent company	25,191,203	22,253,167

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4.2 Inter-revenues and inter-expenses

- Inter-revenues and inter-expenses for the years ended December 31, 2019 and 2018

	(Unit : Baht)	
<u>Type of items/company name</u>	<u>2019</u>	<u>2018</u>
- Expenses of land rental		
Parent company	5,410,958	5,410,958
- Expenses of warehouse rental		
Parent company	9,077,632	12,002,632
- Expenses of silo rental		
Related company	-	1,728,000
- Packing expenses		
Related company	110,700	6,997,170
- Other expenses		
Parent company	1,657,075	1,460,800
Related company	-	21,000
Total	<u>1,657,075</u>	<u>1,481,800</u>
- Dividend paid		
Parent company	63,137,033	41,176,326
- Directors' and important management's remuneration		
Short-term benefits	36,079,371	37,321,833
Post-employment benefits	535,480	238,611
Total	<u>36,614,851</u>	<u>37,560,444</u>

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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.

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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. Additional disclosure Cash and cash equivalent items

5.1 Significant non-cash items in the financial statements are as follows :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Transferred property, plant and equipment from reduction payable for asset purchased	740,200	-

5.2 Cash and cash equivalent items

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Cash	30,000	20,000
Current deposits	46,039,838	32,968,687
Saving deposits	24,570,611	44,437,279
Cheque on hand	77,000	1,024,604
Total	<u>70,717,449</u>	<u>78,450,570</u>

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6. Trade and other receivables

Consisted of :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Trade receivable	192,309,666	182,529,668
<u>Less</u> Allowance for doubtful debts	<u>(2,981,041)</u>	<u>(6,129,843)</u>
Trade receivable	189,328,625	176,399,825
Prepaid expenses	962,878	663,606
Deposits for other parties	-	2,045,520
Others	<u>78,690</u>	<u>35,281</u>
Total	<u>190,370,193</u>	<u>179,144,232</u>

Aging analyses for trade accounts receivable were as follows :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Domestic trade accounts receivable		
Not yet due	119,833,298	110,202,626
Overdue not over 3 months	66,787,162	66,165,199
Overdue not over 6 months	785,170	-
Overdue not over 12 months	1,922,995	1,644,002
Overdue over 12 months	<u>2,981,041</u>	<u>4,517,841</u>
Total	192,309,666	182,529,668
<u>Less</u> Allowance for doubtful debts	<u>(2,981,041)</u>	<u>(6,129,843)</u>
Net	<u>189,328,625</u>	<u>176,399,825</u>

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

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The Company has movements in transactions of allowance for doubtful accounts for the years ended December 31, 2019 and 2018 as follows : -

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Beginning balance as at January 1,	6,129,843	7,273,598
<u>Plus</u> Allowance for doubtful debts	-	1,612,002
<u>Less</u> Reversal of allowance for doubtful debts	(374,666)	(285,000)
Written-off doubtful debts	(2,774,136)	(2,470,757)
Ending balance as at December 31,	<u>2,981,041</u>	<u>6,129,843</u>

7. Inventories

Consisted of : -

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Raw materials	262,971,404	403,819,754
Work in process	10,149,309	14,679,884
Finished goods	11,229,677	8,645,462
Supplies	1,317,041	1,227,490
Raw materials in transit	148,431,798	214,322,007
Spare parts and factory supplies	2,428,770	2,511,422
Total	<u>436,527,999</u>	<u>645,206,019</u>

Cost of inventory record as expense and include in the cost of good sold for the years ended December 31, 2019 and 2018 were as follow :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Cost of goods sold	1,229,148,029	1,131,925,951
Reversal of loss for declining in value of inventories	-	-
Net	<u>1,229,148,029</u>	<u>1,131,925,951</u>

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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, 2018	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
Purchase	120,000	8,048,182	7,290	210,739	495,000	3,372,600	12,253,811
Transfer in	80,000	2,555,000	-	-	-	-	2,635,000
Disposal/Written off	-	(443,694)	(3,400)	(147,966)	(465,000)	-	(1,060,060)
Transfer out	-	(740,200)	-	-	-	(2,635,000)	(3,375,200)
As at December 31, 2019	199,964,315	730,250,226	53,455,493	16,819,871	34,002,110	737,600	1,035,229,615
Accumulated Depreciation :-							
As at January 1, 2018	(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)
Depreciation for the year	(7,072,167)	(35,647,114)	(2,824,687)	(1,130,784)	(1,990,410)	-	(48,665,162)
Disposal/Written off	-	441,616	2,636	147,950	453,867	-	1,046,069
As at December 31, 2019	(63,294,855)	(278,644,609)	(25,529,366)	(14,756,350)	(15,850,659)	-	(398,075,839)
Net Book Value :-							
As at December 31, 2018	143,541,627	477,391,827	30,744,288	2,983,582	19,657,994	-	674,319,318
As at December 31, 2019	136,669,460	451,605,617	27,926,127	2,063,521	18,151,451	737,600	637,153,776

Depreciation was shown in profit or loss for the year

Ended December 31, 2018	48,835,069
Ended December 31, 2019	48,665,162

As at December 31, 2019 and 2018, the Company's wheat flour factory building and machines with the book value of Baht 558.97 million and Baht 586.96 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.

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As at December 31, 2019 and 2018, the Company's assets were fully depreciated but still in use at cost values of Baht 36.20 million, book value of Baht 1.35 million and cost values of Baht 19.77 million, book value of Baht 1,759.50 respectively.

As at December 31, 2019 and 2018, the Company's building and construction in progress of factory building with the book value of Baht 220.94 million and Baht 233.91 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, 2019 and 2018 were as follows :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Deferred tax assets	6,150,251	6,050,175
Deferred tax liabilities	(4,596,660)	(4,191,616)
Net	<u>1,553,591</u>	<u>1,858,559</u>

Movements in total deferred tax assets for the years ended December 31, 2019 and 2018 were as follows :-

	For the year ended December 31, 2018			For the year ended December 31, 2019		
	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	As at January 1, 2019	(Charged) / credited to profit or loss (Note 19)
Deferred tax assets						
Trade accounts receivable						
(Allowance for doubtful debts)	1,454,720	(228,751)	-	1,225,969	1,225,969	(629,761)
Inventories	-	-	-	-	-	-
Provision of litigation	295,130	(295,130)	-	-	-	-
Employee benefit obligations	165,319	(21)	208,275	373,573	373,573	142,230
Non current liabilities	3,723,031	727,602	-	4,450,633	4,450,633	587,607
Total	5,638,200	203,700	208,275	6,050,175	6,050,175	100,076
Deferred tax liabilities						
Plant and equipment	(3,808,853)	(382,763)	-	(4,191,616)	(4,191,616)	(405,044)
Net	<u>1,829,347</u>	<u>(179,063)</u>	<u>208,275</u>	<u>1,858,559</u>	<u>1,858,559</u>	<u>(304,968)</u>

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Executive Director

.....
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Managing Director

10. Credit facilities and guarantee

As at December 31, 2019 and 2018, 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>2019</u>	<u>2018</u>
Promissory note	30,000,000	180,000,000
Trust receipts payable	221,458,278	243,689,423
Total	<u>251,458,278</u>	<u>423,689,423</u>

As at December 31, 2019 and 2018, promissory notes has maturity dated in the type of call with bearing the interest rates at 2.00% per annum and 2.25-2.60% per annum respectively.

As at December 31, 2019 and 2018, 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.

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12. Trade and other payables

Consisted of :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Trade accounts payable		
- Trade accounts payable-related parties	-	131,803
- Trade accounts payable-other parties	9,003,277	85,485,933
Total trade accounts payable	9,003,277	85,617,736
Other accounts payable	6,004,119	9,554,989
Accrued expenses-related parties	12,973	13,245
Accrued expenses-other parties	26,759,730	27,435,083
Advance received	128,357	2,333,820
others	45,850	45,850
Total	41,954,306	125,000,723

13. Employee benefit obligations

Movement in the employee benefit obligations is as follows :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Employee benefit obligations as at January 1,	1,867,866	826,594
Current service cost	320,329	311,574
Past service cost	320,331	-
Interest cost on obligations	70,490	59,808
<u>Less</u> Employee benefit paid	-	(371,487)
Actuarial losses arising from defined benefit plan	-	1,041,377
Employee benefit obligations as at December 31,	2,579,016	1,867,866

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Expenses recognized in statement of comprehensive income for the years ended December 31, 2019 and 2018 are as follows :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
<u>Recognized in profit or loss</u>		
Cost of sales	124,080	72,934
Administrative expenses	587,070	298,448
Total	<u>711,150</u>	<u>371,382</u>
<u>Recognized in other comprehensive income</u>		
Actuarial loss arising from defined benefit plan		
Financial assumptions changes	-	114,946
Demographic assumptions changes	-	(177,130)
Experience adjustments	-	1,103,561
Total	<u>-</u>	<u>1,041,377</u>

Principal actuarial assumptions at the reporting date as at December 31, 2019 and 2018 were as follows :-

Discount rate	2.81%
Salary increase rate	5.00%
Employee turnover rate	Age band
Retirement age	55 year

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>2019</u>	<u>2018</u>
Discount rate increase (0.5% movement)	(112,704)	(105,816)
Discount rate decrease (0.5% movement)	119,315	112,478
Future salary growth increase (0.5% movement)	140,388	119,217
Future salary growth decrease (0.5% movement)	(132,942)	(112,905)
Employee turnover increase rate (1.0% movement)	(314,633)	(267,082)
Employee turnover decrease rate (1.0% movement)	359,542	305,113

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On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act. On the April 5, 2019, Labor Protection Act has announcement in the Royal Gazette which effective on May 5, 2019. The Labor 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 employee benefits obligation. The Company have recorded the effect of the change by recognizing past service costs as expenses in profit or loss.

14. Share capital

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

	Par	2019		2018	
	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	398,664,061	398,664,061	344,706,426	344,706,426
<u>Add</u> Increase ordinary Shares	1.00	-	-	53,957,635	53,957,635
Ordinary shares at end of period	1.00	398,664,061	398,664,061	398,664,061	398,664,061

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.

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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 2019 and 2018, the Company appropriated Baht 1.50 million and Baht 5.40 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,-Jun 30, 2018	The board of Directors meeting no.10/2018 on October 17, 2018	59,800	0.15	November 23, 2018
Payment announced from the interim profit of Jan 1,-Jun 30, 2019	The board of Directors meeting no.10/2019 on October 31, 2019	31,893	0.08	November 29, 2019
Payment announced from the profit of the year 2018	The Annual 2019 General Meeting of shareholder’s held on April 25, 2019	59,800	0.15	May 24, 2019
Total		91,693	0.23	

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, 2019 and 2018, the financial statements present debt to equity ratio at 0.34 : 1.00 and 0.60 : 1.00 respectively.

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18. Natures of expense

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Raw material and supplies used	1,082,063,414	985,726,518
Changes in finished goods and work in process	1,946,360	(2,519,424)
Salaries, wages and other benefits to employees	87,712,642	84,426,435
Depreciation	48,665,162	48,835,069
Rental expenses	22,417,205	23,310,168
Public utility fee	32,308,857	31,007,104
Transportation expenses	40,673,156	38,321,902
Other operating expenses	36,344,290	48,762,658
Interest expenses	6,724,095	13,067,782
Total	<u>1,358,855,181</u>	<u>1,270,938,212</u>

19. Income tax expense

Income tax recognized in profit or loss for the years ended on December 31, 2019 and 2018 with the following details :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Current income tax expense	25,385,997	27,757,581
Deferred tax expense (Note 9)		
Movements in temporary differences	304,968	179,063
Income tax expense	<u>25,690,965</u>	<u>27,936,644</u>

Income tax recognized in comprehensive income

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Actuarial losses arising from defined benefit plan	-	(208,275)

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Reconciliation between income tax expenses and the results of accounting profit multiplied by the applicable tax rates for the years ended December 31, 2019 and 2018 as follows :-

	(Unit : Baht)	
	<u>2019</u>	<u>2018</u>
Accounting profit before tax	126,971,833	134,532,092
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	25,394,366	26,906,418
Effects of :		
Accrued expenses of land and warehouse rental agreements	587,607	727,602
Provision of litigation	-	(241,219)
Penalty fee	23	11,042
Donation	245,000	852,870
Others	(840,999)	(499,132)
Total	25,385,997	27,757,581
Movement in temporary differences	304,968	179,063
Income tax expenses reported in profit or loss	<u>25,690,965</u>	<u>27,936,644</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.

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Profit for the year (Unit : Baht)	101,280,868	106,595,448
The number of issued and paid-up ordinary shares (Unit : shares)	398,664,061	353,724,003
Basic earnings per share (Baht/share)	0.25	0.30

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21. Financial information by sectors

For the years ended December 31, 2019 and 2018, 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, 2019, the Company has 2 major customer whose valuation of sale more than 10% of total revenue from sale in amount of Baht 375.29 million and For the years ended December 31, 2018, 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.

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> (Unit)	<u>December 31, 2019</u>			<u>December 31, 2018</u>		
		<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	4,024	20,976	25,000	3,924	21,076
Letters of credit, trust receipt and short-term loan and Forward exchange contract	Thousand Baht	4,625,000	281,913	4,343,087	4,525,000	614,881	3,910,119
Letters of credit, trust receipt and short-term loan and Forward exchange contract	Thousand USD	10,000	-	10,000	18,000	1,541	16,459
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, 2019 and 2018, the Company has obligations in relation to overseas purchase of raw materials contracts, still not yet delivered, amount of USD 5.32 million and USD 2.85 million respectively.

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22.3 As at December 31, 2019 and 2018, the Company entered into agreements of construction and decoration of new factory and construction agreements for every projects as follows :-

	(Unit : Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Contractual value	1,950	3,445
Remaining binding contractual value	1,212	740

22.4 As at December 31, 2019 and 2018, the Company has obligations in relation to operational lease contracts on the part of lesser which will initiate rental expenses in future for the interval periods as follows :-

	(Unit : Thousand Baht)	
	<u>2019</u>	<u>2018</u>
Within 1 year	11,977	15,642
For 1-5 years	49,791	48,717
5 years onwards	294,931	307,982
Total	<u>356,699</u>	<u>372,341</u>

23. Contingent asset

The Company has sued a supplier who entered into a contract of machinery installation since such contractor unable to deliver and install machinery in accordance with the terms of the contract. On January 31, 2019, the court has a judgment and order to the contractor to payment the company for damage compensation in amount of Baht 1.28 million with interest at the rate of 7.5% per annum until the payment is completed. However, the Company has not recognized such transaction as an asset. Because there is still uncertainty to enforcement the debtor to repayment according the court judgment.

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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, 2019						
	Fixed interest rate			Floating interest rate	Non interest bearing	Total	Interest rate (% per annum)
	Within	More than	More than				
	1 year	1 year to 5 years	5 years				
<u>Financial assets</u>							
Cash and cash equivalent items	-	-	-	59,470,335	11,247,114	70,717,449	0.10-0.75
Trade and other receivables	-	-	-	-	190,370,193	190,370,193	-
	-	-	-	59,470,335	201,617,307	261,087,642	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	251,458,278	-	-	-	-	251,458,278	1.60-2.00
Trade and other payables	-	-	-	-	41,954,306	41,954,306	-
	251,458,278	-	-	-	41,954,306	293,412,584	

(Unit : Baht)

	December 31, 2018						
	Fixed interest rate			Floating interest rate	Non interest bearing	Total	Interest rate (% per annum)
	Within	More than	More than				
	1 year	1 year to 5 years	5 years				
<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	-
	-	-	-	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	-
	423,689,423	-	-	-	125,000,723	548,690,146	

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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, 2019 and 2018, 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>2019</u>	<u>2018</u>
Amount fixed in contract	USD	254,239	2,674,094
Amount earned under forward contract	Baht	7,660,134	86,086,857
Fair value under forward contract	Baht	7,637,169	86,534,794

Fair value under the forward contract calculated at the rate set by the Bank retains at the dated of statement of financial positions.

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 repay 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's management believes such financial assets and liabilities are presented in value not materially different from relevant fair value.

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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, 2019 and 2018, the Company has made contributions to the fund amounting to Baht 0.49 million and Baht 0.50 million respectively.

26. Fair value hierarchy

As at December 31, 2019 and 2018, the Company had certain liabilities that were disclosed at fair value using different levels input as follows :

(Unit : Thousand Baht)				
<u>2019</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)	-	7,637	-	7,637
<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

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 27, 2020, The Company's board meeting has resolution to propose that the Annual General Meeting of the Shareholders to be held on April 30, 2020 to pay dividend from operation result for year 2019 of Baht 0.11 per share amounting to Baht 43.85 million which inclusive of the interim dividend of Baht 0.08 per share amounting to Baht 31.89 million and represented a total dividend payment of Baht 0.19 per share amounting to Baht 75.74 million.

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28. Approval of financial statements

These financial statements have been approved for issuance by the Company's board of directors on February 27, 2020.

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