

ANNUAL REPORT 2014



KTIS
More Than Sugar



Innovative
sugar supply chain
for sustainable future

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Corporate Philosophy

KTIS Group is a leading organization with an outstanding world-class identity. It has maintained good governance, integrated closely with agricultural and industrial industry, maintained social awareness, added values and quality to sugar and its by products, and utilized clean and eco-friendly energy to sustain stability.

Mission

- The company operates its businesses with keen knowledge and experiences, creative ideas and professionalism in order to generate innovation and value to its products and services ranging from upstream to downstream.
- The company creates a sustainable source of raw materials in order to support a fully integrated business network for the production of high-quality products as well as the generation of clean and eco-friendly biomass energy.
- The company conducts its business with high ethics and integrity while maintaining good governance in both existing and new business investments for valuable return in both financial and non-financial forms back to the community, investors, customers, employees, farmers and stakeholders.





The sustainability of KTIS
is dependent on the success of
sugarcane farmers

Financial Highlights

2012

2013

2014

Income Statements (Million Baht)

Sales & Services Revenues	24,631	18,052	20,120
Sugar	20,372	13,590	14,849
Molasses	736	636	796
Electricity	85	264	616
Ethanol	1,206	1,545	1,736
Pulp	1,674	1,496	1,598
Others	557	520	525
Other Income	455	434	229
Total Revenues	25,086	18,486	20,349
Net Profit	2,569	1,218	1,366

Balance Sheet (Million Baht)

Total Assets	15,956	16,130	18,690
Current Assets	7,573	6,705	7,767
Non-Current Assets	8,383	9,426	10,923
Total Liabilities	14,488	13,540	10,117
Current Liabilities	9,866	9,606	7,182
Non-Current Liabilities	4,622	3,935	2,936
Total Shareholders's Equities	1,468	2,590	8,572

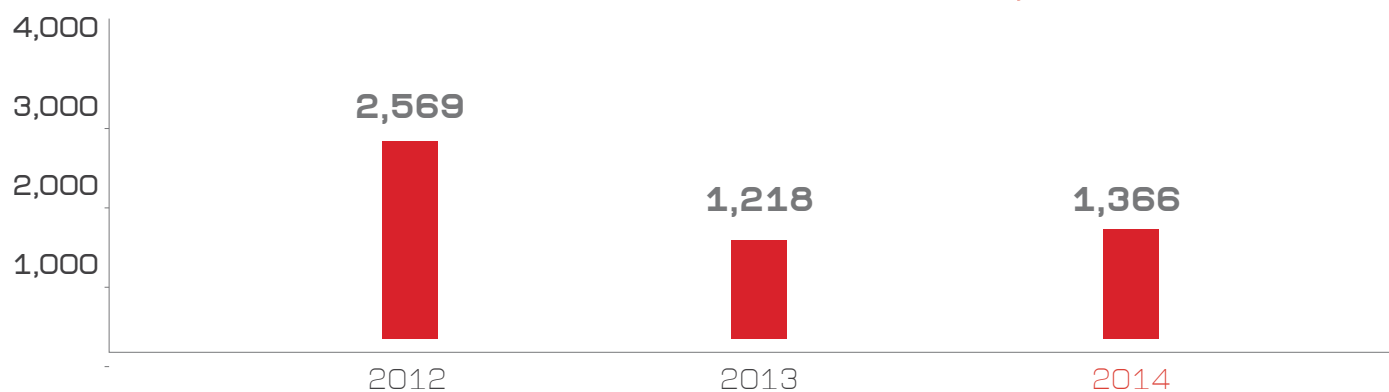
Ratio (Times)

Quick Ratio	0.77	0.7	1.08
D/E	9.87	5.23	1.18

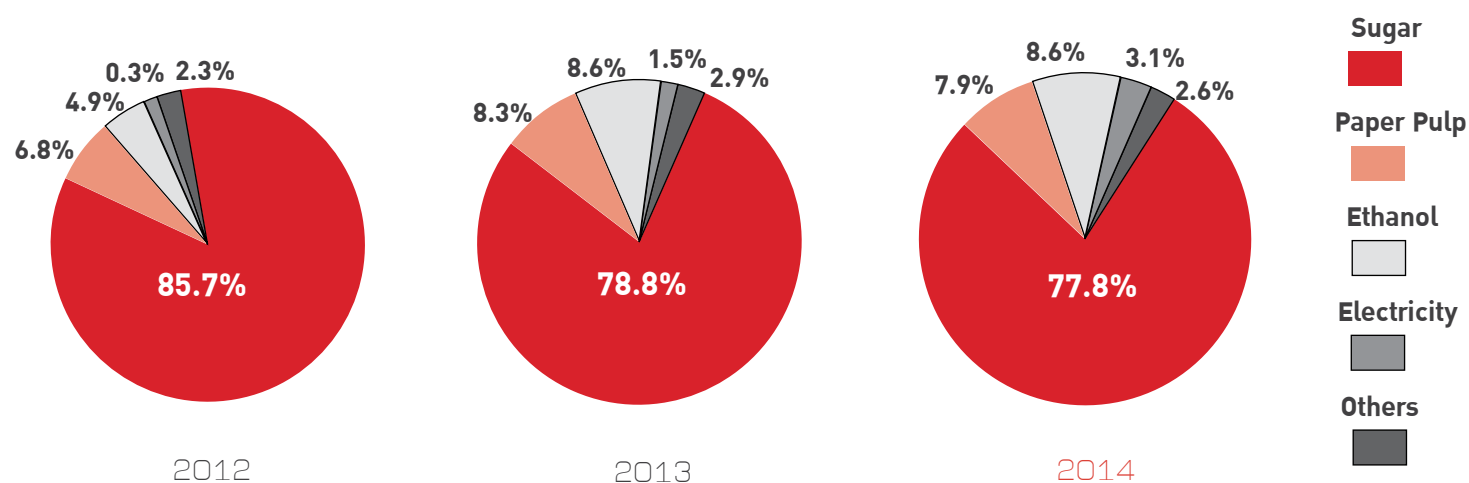
3 YEARS FINANCIAL HIGHLIGHTS

Net Profit

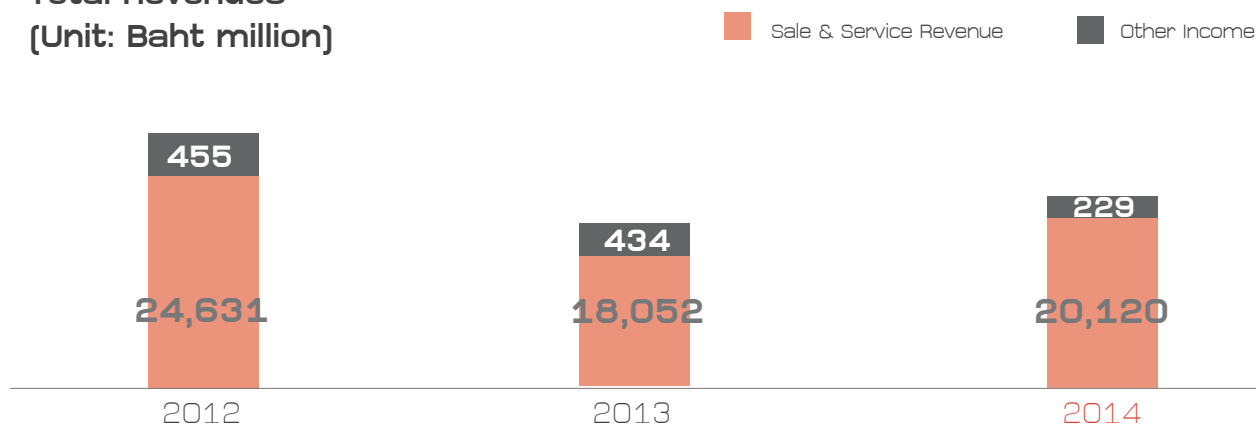
2014 Net Profit is Baht **1,366million**



Sales & Service Revenue



Total Revenues (Unit: Baht million)



General Information

Company Information	Kaset Thai International Sugar Corporation Public Company Limited (the“Company”)
Type of Business	Production and distribution of sugar and connected secondary businesses such as the production and distribution of bleached white paper pulp, ethanol and electricity
Head office	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
Registration number	0107556000116
Telephone	(66)-2692-0869 to 73
Facsimile	(66)-2246-9125 , (66)-2692-0876, (66)-2246-9140
Homepage	www.ktisgroup.com
Company Secretary	Mr.Suchart Pipatanachaipong Tel. (66) 2692-0869 to 73 ext. 176
Investor Relations and Corporate Communications	Ms.Monathy Ploisook Tel. (66) 2692-0869 to 73 ext. 193 ext. 26
E-mail	ir@ktisgroup.com, cs@ktisgroup.com
Registered capital	3,888,000,000 Baht
Paid up Registered Capital	3,860,000,000 Baht

Sugar Business	:	Thai Identity Sugar Factory Co., Ltd.
Business Type	:	Production and distribution of sugar
Head office	:	42/1 Moo 8 Ban Hardsuatan, Kungtapao Sub-District, Muang District, Uttaradit Province Telephone (66) 5544-9010-1, (66) 5540-7241-5
Factory	:	42/1 Moo 8 Ban Hardsuatan, Kungtapao Sub-District, Muang District, Uttaradit Province Telephone (66) 5544-9010-1, (66) 5540-7241-5

Sugar Business	:	Lopburi International Sugar Co.,Ltd
Business Type	:	Production and distribution of sugar
Head office	:	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
Factory	:	Lopburi Province

Energy Business : **Kaset Thai Bio Power Co., Ltd.**
 Business Type : Production and distribution of electricity
 Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory : 555 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province
 Telephone (66) 56-338-123 to 5

Energy Business : **Ruamphol Bio Power Co.,Ltd**
 Business Type : Production and distribution of electricity
 Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory : 77/77 Moo 7 Banmakhua Sub-District, Muang District,
 Nakhonsawan Province Telephone (66) 56-338-123 to 5

Energy Business : **Thaiekaluck Power Co.,Ltd**
 Business Type : Production and distribution of electricity
 Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory : 42/2 Moo 8 Ban Hardsutan, Kungtapao Sub-District, Muang District,
 Uttaradit Province Telephone (66) 2692-0869 to 73

Energy Business : **Lopburi Biopower Co.,Ltd**
 Business Type : Production and distribution of electricity
 Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory : Lopburi Province

Energy Business : **KTIS Biogass Power Co.,Ltd**
 Business Type : Production and distribution of electricity
 Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory : Nakhonsawan Province

Paper Pulp Business : **Environment Pulp and Paper Co., Ltd.**

Business Type : Production and distribution of bleached paper pulp

Head office : (1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
Telephone (66) 2692-0869 to 73
(2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok
Telephone (66) 2692-0869 to 73

Factory : 9/9 Moo 1 Attavipach Rd., Nong Pho Sub-District, Taklee District, Nakhonsawan Province Telephone (66) 2247-0920

Fertilizer Business : **Kaset Thai Bio Fertilizer Co.,Ltd**

Business Type : Production and distribution of fertilizers and soil

Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
Telephone (66) 2692-0869 to 73

Factory : 888 moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province
Telephone (66) 56-338-123 to 5

Energy Business : **Ekarat Pattana Co., Ltd.**

Business Type : Production and distribution of ethanol

Head office : (1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
Telephone (66) 2692-0869 to 73
(2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok
Telephone (66) 2692-0869 to 73

Factory : 9 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province
Telephone (66) 56-338-333 , (66) 2644-8388 , (66) 2644-8130-2

Energy Business : **KTIS Bio Energy Co.,Ltd**

Business Type : Production and distribution of ethanol

Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
Telephone (66) 2692-0869 to 73

Factory : Nakhonsawan Province

Energy Business : **Lopburi Bioethanol Co.,Ltd**

Business Type : Production and distribution of ethanol

Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
Telephone (66) 2692-0869 to 73

Factory : Lopburi Province

Holding Business : **Permsinpattana Co., Ltd.**
 Business Type : Shareholders engagement, which currently holds 26.0 per cent in EPPCO
 Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory : -

Property Business : **Sapsirikaset Co.,Ltd**
 Business Type : Real estate investment
 Head office : 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory : -

Other References

Registrar : Thailand Securities Depository Co., Ltd.
 62 Stock Exchange of Thailand Building, 4th and 7th Floor ,Rachadapisek Road.,
 Klongteoi, Bangkok 10110, Thailand.
 Telephone (66) 2229 -2888 (Call Center)
 Facsimile (66) 2359- 1259

Auditor : PricewaterhouseCoopers ABAS Ltd.
 179/74-80 Bangkok City Tower, 15th Floor
 South Sathorn Road
 Sathorn Bangkok, 10120, Thailand
 Telephone (66) 2344-1000, (66)2286- 9999
 Facsimile (66) 2264- 0790

Legal Advisor : WEERAWONG,CHINNAVAT&
 PEANGPANOR LTD.
 540 Mercury Tower,22nd Floor,Ploenchit
 Road, Lumpini, Pathumwan,
 Bangkok 10330 , Thailand.
 Telephone (66) 2264-8000
 Facsimile (66) 2657-2222

Messages from the Chairman



To Shareholders,

In recent years, the cane and sugar business has evolved significantly and expanded into several businesses throughout the value chain of “sugar cane” production which include the generation of biomass power, such as electricity and ethanol, which has proven to be a profitable business with strong growth potential. Research and development projects have been initiated to widen the scope of commercially viable inventions to biogas, pulp, bio-degradable packaging from bagasse, bio-plastic cosmetic products and others. Farmed domestically, this major cash crop has generated substantial export revenue for Thailand and greater wealth for local farmers and workers. It will also provide numerous economic benefits for Thailand, based on the conception of many scholars that the Asian food industry will be very vital for the economic growth both in domestic and the world in the long run.

The concrete development which add new dimensions to advanced agricultural management such as Drone and GPS technologies have been integrated in sugar cane farming in many aspects from cane cultivation areas, growth monitoring , precise application of fertilizers and pesticides until cane harvesting. In addition, cane planting machines, harvesters and other agricultural equipment have been introduced in cane production for lower labor intensity. Economical mobile drip irrigation is an innovative development that KTIS is particularly proud of as it is very practical drought solution for farmers, alleviating the impact of water scarcity. While the sugar production technology, the automation advancement have been developed to be lower cost and more efficient which factories’ engineers can further research and innovate continuously.

In 2013/14, Thailand recorded a remarkable sugar output from a cane crush of 103.67 million tons and the sugar yield 109.32% per ton cane on account of increasing cane plantation and favorable weather conditions. As the 3 largest group in the sugar industry, KTIS group’s cane supply represented 10% of Thailand’s total output. However, the El Nino which was forecast to devastate Brazilian and Thai productions did not happen and the drought had limited impact on Brazil’s cane output. As a result, sugar price and the performance of cane and sugar industry fell below analysts’ forecasts.

Ethanol business recorded strong financial results and the momentum is expected to continue into the future though the attractive domestic ethanol price may draw new entrants to the market. The pulp business



Mr. Pricha Attavipach
Chairman



benefited from the upward price movement in domestic and international markets. Our management team has sourced alternative biomass fuels and initiated reduction programs of energy consumption at sugar mills to save more bagasse supply without losing grip on the zero waste goal.

Performance of the power plant business achieved the targets this year. Our next year plan for 60MW biomass power plant will commercially operate for 8-10 months next year while the other 2 new power plants with the capacity of 50MW each should start operation that meets engineering, environmental and efficiency standards in Q1-Q3 of 2015. Sourcing of alternative feedstock in addition to bagasse has been planned for the increasing feedstock demand to strengthen KTIS group's capabilities and potential for stronger financial growth.

Meanwhile, the collaboration of liquid sucrose and super refined sugar project with Sumitomo Corporation Co., Ltd. and Nissin Sugar Co., Ltd., funded by IPO process should come to fruition in mid-2015 and contribute to valuable growth of KTIS group. The bio-fertilizer development project will be launched in 2015 and supervised by professors and experts from college who are experience in sugar industry.

Overall, KTIS group has recorded continuous growth and stronger performance propelled by the revenue diversification strategy and the expansion from sugar business into bio-energy business which further extends to other related business.

On a final note, I would like to express my sincere appreciation to the shareholders, directors, employees, valuable customers and contributors for their admirable contribution and support which make us a world-class company. KTIS group is committed to embarking on development pathway as a socially responsible corporate citizen for stronger performance and greater future of Thailand.

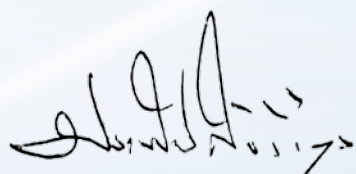
Messages from the Chief Executive Officer – KTIS Group



To Shareholders,

I take pride in the impressive growth of KTIS group which bespeaks the admirable collaboration and efforts of all KTIS group members. Today, in addition to the cane and sugar business, our conglomerate has expanded far and wide into ethanol and power business, pulp and paper business and fertilizer business. The good news is that there are many more in store for the coming years. Our aim is to make the most out of a sugar cane through an integrated value chain. One of the key strengths of KTIS group lies in the world's largest production capacity of our Nakhonsawan factory which records the cane-crushing capacity of 55,000 tons per day and the output of 6,000,000 tons per year on average (the group's total output is 10,000,000 tons). The mill is not only a strategic production base but also an ideal logistics hub for the sugar product storage and distribution to domestic and international buyers. With its vast land resource, KTIS group will be able to enjoy extra benefits from the colocation of more supporting businesses, in addition to its ethanol, power, paper and pulp and fertilizer manufacturing facilities which are currently located in the same area, to strengthen its competitive edge from the supply and transportation cost-saving.

Our success has revolved around the guiding philosophy of The sustainability of KTIS is dependent on the success of sugarcane farmers initiated by Mr. Jaroon Siriviriyakul, the founding father of KTIS who had the foresight to develop sugar cane farmers towards sophisticated farming and management. Effective farming from soil preparation to application of the right farming tools, selection of sugar cane varieties, and crop cultivation and harvesting will increase the profitability and financial wealth of farmers which in turn will motivate and encourage them to stay in this profession. The high level of farm productivity will eventually lead to the supply stability of sugar plants. In the past, focus was placed only on sugar products but KTIS group has explored different possibilities in an attempt to add value to sugar products through new technologies. The relentless efforts have yielded impressive results: KTIS group's success in converting sugar production waste into wealth and its solid and prosperous growth as evident today.



Mr. Parphan Siriviriyakul
Chief Executive Officer - KTIS Group



The 2014 financial results of KTIS group proved to be satisfactory despite the pressure from the volatility of global sugar price, thanks largely to the biomass power business which had impressive financial performance and generated nearly as much income for the group as the upstream sugar business. Undeniably, the success is also attributed to the visionary leadership of the Board of Directors which has guided the Company towards constant and meaningful business development and expansion. The Company aims to further strengthen its sugar business as a foundation for success of other supporting businesses. Research and development will continue to be among the top priorities and will focus on sugar cane breeding improvement and development, soil test and fertilizer recommendation, agricultural machinery improvement for effective and productive cane farming, drought risk management, low-cost and effective drip irrigation system, and the development of harvesting machines to move towards a less labor-intensive cane severing.

In view of securing a sustainable future for farmers, KTIS group has established a cane farming academy to train the new cane farmers and family members of cane farmers, aiming to equip them with the knowledge and elements required for the succession of cane farming profession.

Moving forward, KTIS group will focus on the reduction of energy consumption in all plants to save more bagasse supply for business optimization. More efforts will be dedicated to the expansion of facilities for our sugar, biomass power and ethanol businesses in the target compound as well as the manufacturing of organic and biochemical fertilizer products from production waste of companies in KTIS group. The cost-saving fertilizers will be commercially distributed to our contractual sugar cane farmers as an alternative to chemical fertilizers of which price fluctuates with the oil price movement. New value-added product development will continue to be one of our key business themes. I strongly believe that byproducts from the manufacturing lines and industrial waste will add enormous value and benefits to our conglomerate.

In closing, I would like to thank the shareholders, directors, employees and our valued customers and contributors for their continued support which enables KTIS group to achieve solid growth and strong performance and create opportunities and activities which are beneficial to farmers, workers, the society and Thailand

Board of Directors



1. Mr.Pricha Attavipach

« Chairman

2. Mr.Sirivuthi Siamphakdee

« Director/Chairman of Executive Committee /Chief Financial Officer /Risk Management Committee

3.Mr.Parphan Siriviriyakul

« Managing Director /Chief Executive Officer /Risk Management Committee

4. Mrs.Darat Vibhatakalasa

« Director/ Deputy Chief Executive Officer /Nomination and Remuneration Committee

5. Mr.Prasert Siriviriyakul

« Director /Chief Executive Officer -Cane and Sugar /Risk Management Committee

6. Mr.Nathapun Siriviriyakul

« Director/Chief Executive Officer - Bio Energy and Product/Risk Management Committee

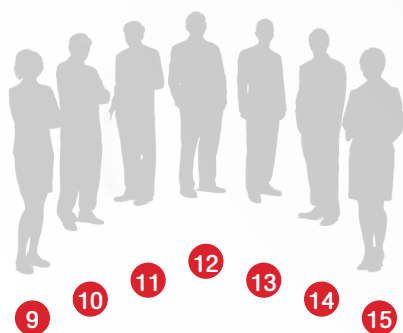
7. Mr.Krairit Nilkuha

« Independent Director/ Chairman of Audit Committee

8. Mr.T-rayooth Changpetch

« Independent Director/ Chairman of Risk Management Committee Audit Committee





9. Miss Siraarpa Siriviriyakul
 « Director

10. Mr.Issakan Krivitthaya
 « Independent Director/
 Chairman of Nomination and
 Remuneration Committee/
 Risk Management Committee

11.Mr.Sathaporn Kotheeranurak
 « Independent Director/
 Audit Committee

12. Asst.Prof.Dr.Phoonsak Boonsalee
 « Independent Director/
 Nomination and Remuneration
 Committee

13. Mr.Shunsuke Tsujiyama
 « Director

14. Mr.Apichart Noochprayoon
 « Director

15. Miss Chua Eng Eng
 « Director

Directors and Management Biography

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mr.Pricha Attavipach	77	Chairman	- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University - Master of Engineering (Industrial Engineering & Management), Oklahoma State University	DCP 39/2004 ACP 11/2006 FND 8/2004	0.131	none	Present	Chairman	TSG Asset Co., Ltd.
							Present	Chairman	T S Flour Mill Pcl.
							Present	Chairman	T S Oil Industry Co., Ltd.
							Present	Chairman	Thai Sugar Terminal Pcl.
							Present	Director	Thai Rung Union Car Pcl.
							Present	Director	Siam Cement Pcl.
							2013-Present	Chairman	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Chairman	Pan-Paper (1992) Co., Ltd.
							2013-Present	Chairman	Thaiekaluck Power Co.,Ltd
							2013-Present	Director	Ruampol Bio Power Co., Ltd.
							2012-Present	Chairman	Siri Charoen Sapruiwan Co., Ltd
							2010-Present	Chairman	Kaset Thai Bio Power Co., Ltd.
							2009-Present	Chairman	S.I. Property Co., Ltd.
							2004-Present	Chairman	Ekarat Pattana Co., Ltd.
							1993-Present	Director	H.C. Starck Co., Ltd.
							2000-2014	Chairman	Ruamkij Angthong Warehouse Co., Ltd.
							2008-2013	Chairman	Kaset Thai Sugar Industry Co., Ltd.



Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mr.Sirivuthi Siamphakdee	72	Director Chairman of Executive Committee Chief Financial Officer - KTIS Group Risk Management Committee	- Bachelor of Commerce, Banking and Finance, Thammasat University	DAP 54/2006	none	none	Present	Director	The Grand UB Co., Ltd.
							Present	Director	Thai Identity Sugar Factory Co., Ltd.
							Present	Director	Ruampol Enterprise Co., Ltd.
							Present	Director	Siampakdee Co., Ltd.
							Present	Advisor to the President of Association	Thai Ethanol Manufacturing Association (TEMA)
							Present	Chairman	Thew River Place Condominium Juristic Person
							Present	Director	Thai Sugar Miller Co., Ltd.
							Present	Director	Kaset Thai Bio Power Co., Ltd.
							Present	Director	KTIS Bioenergy Co., Ltd
							Present	Director	KTIS Biogass Power Co., Ltd
							2013-Present	Director Chairman of Executive Committee, Chief Financial Officer and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	Ruampol Biopower Co.,Ltd
							2013-Present	Director	Thaiekaluck Power Co.,Ltd
							2011-Present	Chairman	Kaset Thai Bio Fertilizer Co., Ltd.
							2007-Present	Director	Ekarat Pattana Co., Ltd.
							2011-2012	Managing Director	Ekarat Pattana Co., Ltd.
							2010-2013	Director and Chairman Chairman of the Executive Committee	Kaset Thai Sugar Industry Co., Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mr.Parphan Siriviriyakul	63	Director, Managing Director Chief Executive Officer and Risk Management Committee	- Honorary Bachelor of Arts, Nakhon Sawan Rajabhat University	DAP 96/2012	none	<ul style="list-style-type: none"> - Father to Ms. Siraarpa Siriviriyakul - Elder brother to Mrs.Darat Vibhatakalasa - Elder brother Mr.Prasert Siriviriyakul - Elder brother Mr.Nathapun Siriviriyakul 	Present	Chairman	Thai Identity Sugar Factory Co.,Ltd
							Present	Director	Ekarat Pattana Co., Ltd.
							Present	Director	Ruampol Enterprise Co., Ltd. จำกัด
							Present	Director	Ekvisanu Co., Ltd.
							Present	Director	Jaroon Hatai Ek Holding Co., Ltd.
							Present	Director	T.Y.T. Trading Co., Ltd.
							Present	Chairman of the Advisory	Chaopraya University
							Present	Advisory	Viriyalainakhonsawan Vocational College
							2014-Present	Advisory	The Federation of Thai Industries Northern Chapter
							2013-Present	Director, Managing Director, Chief Executive Officer and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	Ruampol Biopower Co.,Ltd
							2013-Present	Director	Sapsirikaset Co.,Ltd
							2013-Present	Director	Lopburi International Sugar Co.,Ltd
							2013-Present	Director	Lopburi Bioethanol Co.,Ltd
							2013-Present	Director	Lopburi Biopower Co.,Ltd
							2010-Present	Director	Kaset Thai Bio Power Co., Ltd.
							2009-Present	Director	Thaikaluck Power Co.,Ltd
							2009-Present	Director	New Thai Identity Co., Ltd.
							2009-Present	Director	New Ruampol Co., Ltd.
							2005-Present	Director	Eppco Intertrade Co., Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mr.Nathapun Siriviriyakul	51	Director, Chief Executive Officer-Bio Energy and Product and Risk Management Committee	- Bachelor of Engineering (Second Class Honours), Chulalongkorn University - Master of Business Administration, Washington State University, USA	DAP 55/2006	0	- Younger brother to Mr. Parphan Siriviriyakul - Younger brother to Mr.Prasert	2004-Present	Founder President	The Federation of Thai Industries Nakhonsawan Chapter
							2003-Present	Director	Permsinpattana Co., Ltd.
							2003-Present	Director	Environment Pulp and Paper Co., Ltd.
							1998-Present	Director	T.I. Business Co., Ltd.
							1995-Present	Director	Nakhonsawan Agriculture Co., Ltd.
							1990-Present	Director	Thai Northern Molasses Co., Ltd
							1989-Present	Director	Thai Wisanu Nakornsawan Co., Ltd.
							2012	Director	Ruam Toon Warehouse Nakornsawan Co., Ltd.
							2012	Director	Aekphol Sugar Co., Ltd.
							2012	Director	Ruamkij Angthong Warehouse Co., Ltd
							2012	Director	Grand Thai Wisanu Co., Ltd
							2012	Director	TISS Co., Ltd.
							2012	Director	S.I. Property Co., Ltd.
							2008-2013	Chief Executive Officer	Kaset Thai Sugar Industry Co., Ltd.
							Present	Director	Jaroon Hatai Ake Holding Co., Ltd.
							Present	Director	T.Y.T. Trading Co., Ltd.
							Present	Director	TISS Co., Ltd.
							Present	Director	Thai Sugar Miller Co., Ltd.
							Present	Director	Thai Northern Molasses Co., Ltd.
							Present	Director	Thai Wisanu Nakornsawan Co., Ltd.
							Present	Director	Nakhonsawan Agriculture Co., Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
			- Advanced Security Management Program 2/2011 - Top Executive Program in Commerce and and Trade 3/2010			Siriviriyakul - Younger brother to Mrs.Darat Vibhatakalasa	Present	Director	Thai Identity Sugar Factory Co.,Ltd
							Present	Director	Aekphol Sugar Co., Ltd.
							Present	Director	Ruamkij Anghong Warehouse Co., Ltd.
							Present	Director	Ruampol Enterprise Co., Ltd. จำกัด
							Present	Director	Siam P.P. International Co., Ltd.
							Present	Director	Environment Pulp and Paper Co., Ltd.
							Present	Director	NSC (Thailand) Co., Ltd.
							Present	Director	Eppco Intertrade Co., Ltd.
							Present	Director	S.I. Property Co., Ltd.
							Present	Director	Permsinpattana Co., Ltd.
							2013-Present	Director, Chief Executive Officer-Bio Energy and Product and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	Thaiekaluck Power Co.,Ltd
							2013-Present	Director	Ruampol Biopower Co.,Ltd
							2013-Present	Director	Sapsirikaset Co.,Ltd
							2013-Present	Director	Lopburi International Sugar Co., Ltd.
							2013-Present	Director	Lopburi Bioethanol Co., Ltd.
							2013-Present	Director	Lopburi Biopower Co., Ltd.
							2010-Present	Director	Kaset Thai Bio Power Co., Ltd.
							2009-Present	Director	New Thai Identity Co., Ltd
							2009-Present	Director	New Ruampol Co., Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mrs.Darat Vibhatakalasa	61	Director,Deputy Chief Executive Officer and Nomination and Remuneration Committee	- Bachelor of Education, Chulalongkorn University (First Class Honours) - Master of Education, Chulalongkorn University - Diploma, National Defence College, National Defence Course Class 49 - Diploma, National Defence College, Joint State-Private Sector Course Class19 - Attending the Doctoral Program in Organization Development Management, Chaopraya University	DAP 96/2012	0.32	- Younger Sister to Mr.Parphan Siriviriyakul - Elder Sister to to Mr.Prasert Siriviriyakul - Elder Sister to Mr.Nathapan Siriviriyakul	2008-Present	Independent Director	King Wan Corporation Limited (Singapore)
							2012-2013	Director and Chief Executive Officer-Bio Energy & Product	Kaset Thai Sugar Industry Co., Ltd.
							Private Sector		
							Present	Director	Jaroon Hatai Ek Holding Co., Ltd.
							Present	Director	T.Y.T. Trading Co., Ltd.
							Present	Director	T.I. Business Co., Ltd.
							Present	Director	Thai Northern Molasses Co., Ltd.
							Present	Director	Nakhonsawan Agriculture Co., Ltd.
							Present	Director	Aekphol Sugar Co., Ltd.
							Present	Director	Permsinpattana Co., Ltd.
							2013-Present	Director, Deputy Chief Executive Officer and Nomination and Remuneration Committee	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	Thaikaluck Power Co.,Ltd
							2013-Present	Director	Ruampol Biopower Co.,Ltd
							2010- Present	Director	Kaset Thai Bio Power Co., Ltd.
							2002- Present	Executive Committee	Ruamkij Anghong Warehouse Co., Ltd.
							2002- Present	Executive Committee	Thai Wisanu Nakornsawan Co., Ltd.
							1996- Present	Owner	Publisher and Advertiser of Sawan News

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
							1995-Present	Deputy Managing Director	Ruampol Enterprise Co., Ltd.
							1983-Present	Executive Committee	Thai Identity Sugar Factory Co.,Ltd
							2009-2013	Director and Deputy Chief Executive Officer	Kaset Thai Sugar Industry Co., Ltd.
							Education Sector		
							1998-Present	Vice President for	Chaopraya University
							1990-Present	Chairman	Viriyalainakhonsawan Vocational College
							Academic Sector		
							2011-Present	Advisor	The Prime Minister Office (People's Representative)
							2010-Present	Director	Secondary Educational Service Office Area
							Economic Sector		
							2012-2014	Vice Chairman	Federation of Thai Industries (F.T.I.)
							2012-Present	Honorary Chairman	Northern Region of F.T.I Provincial Chapters
							2011-Present	Director	Joint Public-Private Committee for Economic Affairs, Nakhonsawan
							2000-Present	Director	Federation of Thai Industries (F.T.I.)
							Administrative Sector		
							2009-Present	Director	Integrated Provincial Administration Committee of Nakhonsawan

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mr. Prasert Siriviriyakul	57	Director Chief Executive Officer -Cane and Sugar and Risk Management Committee	- Doctor of Dental Surgery, Chulalongkorn University - Mini MBA, Thammasat University	DAP 94/2012	0.151	- Younger Brother to Mr. Parphan Siriviriyakul - Younger Mrs. Darat Vibhatakalasa - Elder Brother to Mr. Nathapun Siriviriyakul	2009-Present	Director	Nakhonsawan Corporate Governance Committee
							2005-Present	Director	Nakhonsawan Provincial Private Cooperation Center
							2003-Present	Director	Integrated Regional Administration Committee of Lower Northern Region 2
							1998-Present	Chairman of Public Hearing Committee	Nakhonsawan, Constitutional Convention for the People
							Social Sector		
							2011-Present	President	Nakhonsawan Girls' School Alumni Association
							2008-Present	Advisor	Chulalongkorn University Alumni Association of Nakhonsawan Chapter
							2003-Present	Advisor	Provincial Red Cross of Nakhonsawan
							Present	Director	TISS Co., Ltd.
							Present	Director	Thai Wisanu Nakhonsawan Co., Ltd.
							Present	Director	Nakhonsawan Agriculture Co., Ltd.
							Present	Director	Nakhonsawan Pae Song Nguan Co., Ltd.
							Present	Director	Nakhonsawan Ruamtoon Pathana Co., Ltd.
							Present	Director	Thai Identity Sugar Factory Co., Ltd.
							Present	Director	Ruam Toon Warehouse Nakhonsawan Co., Ltd.
							Present	Director	Ruampol Enterprise Co., Ltd.
							Present	Director	Ekarat Pattana Co., Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Miss Siraarpa Siriviriyakul	29	Director	- Bachelor of Economics, Chulalongkorn University	DAP 96/2012	1.007	- Daughter to Mr.Parphan Siriviriyakul - Niece to	Present	Director	Environment Pulp and Paper Co., Ltd.
							Present	Director	Permsinpattana Co., Ltd.
							2013-Present	Director, Chief Executive Officer - Cane and Sugar and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	Thaiekaluck Power Co.,Ltd
							2013-Present	Director	Ruampol Biopower Co.,Ltd
							2013-Present	Director	Sapsirikaset Co.,Ltd
							2013-Present	Director	Lopburi International Sugar Co., Ltd.
							2013-Present	Director	Lopburi Bioethanol Co., Ltd.
							2013-Present	Director	Lopburi Biopower Co., Ltd.
							2011-Present	Director	Kaset Thai Bio Fertilizer Co., Ltd.
							2010-Present	Director	Kaset Thai Bio Power Co., Ltd.
							2010-Present	Director	Jaroon Hatai Ek Holding Co., Ltd.
							2012-2013	Director and Chief Executive Officer -Cane and Sugar	Kaset Thai Sugar Industry Co., Ltd.
							2010-2013	Director and Deputy Managing Director	Kaset Thai Sugar Industry Co., Ltd.
							2013-Present	Director	Gold Hyacinth Development Pte. Ltd.
							2013-Present	Director	Kaset Thai International Sugar Corporation Pcl.
							2012-Present	Director	Siri Charoen Sapraiwai Co., Ltd

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mr. Apichart Noochprayoon	43	Director and Assistant to Chief Executive Officer	- Bachelor of Economics (International Economics), Chulalongkorn University - Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University	DAP 96/2012	0	Mrs. Darat Vibhatakalasa - Niece to Mr. Prasert Siriviriyakul - Niece to Mr. Nathapun Siriviriyakul none	2011-Present	Director	S.I. SiriCharoen Co., Ltd.
							2012-2012	Director	Kaset Thai Sugar Industry Co., Ltd.
							2010-2011	CEO Office-Officer	Kaset Thai Sugar Industry Co., Ltd.
							2008-2010	Management Office - Officer	Kaset Thai Sugar Co., Ltd.
							Present	Director	Siri Charoen Export Co., Ltd.
							Present	Director	Ruamkij Angthong Warehouse Co., Ltd.
							Present	Director	TISS Co., Ltd.
							Present	Director	T.Y.T. Trading Co., Ltd.
							Present	Director	Sunshine Export Co., Ltd.
							2005-Present	Assistant to Chief Executive Officer	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	Thaikaluck Power Co., Ltd.
							2013-Present	Director	Ruampol Biopower Co., Ltd.
							2011-Present	Director	Kaset Thai Bio Power Co., Ltd.
							2005-Present	Deputy Managing Director	Thai Identity Sugar Factory Co., Ltd.
							2005-Present	Deputy Managing Director	Ruampol Enterprise Co., Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Miss Chua Eng Eng	45	Director	- Bachelor of Arts in Economics, National University of Singapore	DAP 9%/2012	0.558	none	2005-Present	Deputy Managing Director	Environment Pulp and Paper Co., Ltd.
							2000-Present	Executive Committee	Aekphol Sugar Co., Ltd.
							2013-2014	Senior director - engineering	Kaset Thai International Sugar Corporation Pcl.
							2012-2013	Senior director - engineering	Kaset Thai Sugar Industry Co., Ltd.
							2008-2013	Director and Executive Committee	Kaset Thai Sugar Industry Co., Ltd.
							2005-2012	Deputy Managing Director	Kaset Thai Sugar Industry Co., Ltd.
							Present	Director	Eppco Intertrade Co., Ltd.
							Present	Director	Siri Charoen Sapraivan Co., Ltd.
							2013-Present	Director	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	Grand Helio Pte.Ltd.
							2013-Present	Director	Soon Zhou Investments Pte. Ltd.
							2012-Present	Director	Gold Topaz Pte. Ltd.
							2012-Present	Director	Gold Hyacinth Development Pte. Ltd.
							2012-Present	Director	Bukit Timah Green Development Pte. Ltd.
							2011-Present	Director	Nanyang International Education. (Holdings) Ltd
							2011-Present	Director	Chang Li Investments Pte. Ltd.
							2011-Present	Director	Li Ta Investments Pte. Ltd.
							2011-Present	Director	Soon Li Investments Pte. Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mr.Sathaporn Koltheeranurak	59	Independent Director and Audit Committee	<ul style="list-style-type: none"> - Master of Business Administration Chulalongkorn University - Diploma in Auditing Thammasat University - Bachelor in Accounting Rajamangala University - Certified Public Accountant Certificate No.3349 - Certified Professional Internal Auditor (CPIA) - Degree in WorPorOr2005, National Defense College - Royal Thai Army War College Program 44 Institute of Advanced 	DAP 35/2009 ACP 13/2013	-	none	2010-Present	Director	S.I. Property Co., Ltd.
							2004-Present	Director	King Wan Industries Pte. Ltd.
							2002-Present	Director	Xylem Investments Pte. Ltd.
							2544-Present	Director	King Wan Development Pte. Ltd.
							2000-Present	Director	King Wan Corporation Pte. Ltd.
							1996-Present	Director	King Wan Construction Pte. Ltd.
							2537-Present	Director	K&W Mobile Loo Services Pte. Ltd.
							2004-2014	Director	Ekarat Pattana Co., Ltd.
							2013-2014	Director	Environment Pulp and Paper Co., Ltd.
							2014-Present	Arbitrator	The Central Intellectual Property and International Trade Court
							2013-Present	Chairman of Team, educating for measure of internet anti-corruption	Office of the National Anti -Corruption
							2013-Present	Independent Director and Audit Committee	Office of the National Anti -Corruption
							2013-Present	Independent Director, Chairman of Audit and Corporate Governance Committee and Risk Management Committee	Gunkul Engineering Pcl.
							2012-Present	Member of Sub- committee : Selection the Candidates of NACC Integrity Awards Consideration	Office of the National Anti -Corruption

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
			Military Studies - Diploma in higher PorSorSor 1, PorRorMor 1 and PorPorPor 1 King Prajadhipok's Institute - Diploma in SorJorVor 81 Applied Psychology Institute - Diploma BorRorOr 1 Royal Thai Police - Diploma In higher BorMorChor 3 National Intelligence Agency - Certificate of Public Law Class 6 Faculty of Law, Thammasat University and Office of the Council of State - Study Meet on Strategic Merger and Acquisition for SMEs C43 Year 2010, Korea - Study Mission to Nonmember Countries on Knowledge Creating Enterprises Year 2009, Germany				2012-Present	Member of Team, educating for measure of assurance anti-corruption	Office of the National Anti -Corruption
							2012-Present	Director, Performance Appraisal of University Business Incubators	Office of the Higher Education Commission : OHEC
							2011-Present	Member of Social Anti-Corruption Committee	Office of the National Anti -Corruption
							2011-Present	Chairman, Team of Selection the Candidates of NACC Integrity Awards Consideration	Office of the National Anti -Corruption
							2010-Present	Member of Sub-Committee for Anti-Corruption Research Strategy 2010-2014	Office of the National Anti -Corruption
							2010-Present	Member of Sub-Committee, Support of State Enterprises and Interlectual Interlectual in University Business Incubators	Office of the Higher Education Commission : OHEC
							2009-Present	Independent Director and Chairman of Audit Committee	Surapon Foods Pcl.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
			<ul style="list-style-type: none"> - China-ASEAN Young entrepreneurs Forum Year 2008, China - Asean-China Young Entrepreneurs Workshop Year 2008, Brunei - Top Management Forum : Corporate Governance Year 2003, Japan - The Training Program on Industrial Property Rights (Fundamental Course for IP Practitioners (EIPF) Year 2002, Japan) - International Forum on SMEs : Acceleration Growth and Enhancing Competitiveness the Knowledge Economy Year 2001, India - Financing and Management Development in Market Oriented Economies Year 1998, Australia 				2005-Present	Independent Director and Audit Committee	Star Sanitary Ware Pcl.
							2004-Present	Managing Director	Sungora Co., Ltd.
							2004-Present	Managing Director	S.V. Evergreen Co., Ltd.
							1995-Present	Managing Director	Sahaporn&CO Co., Ltd.
							1993-Present	Managing Director	DBMT Co., Ltd.
							1993-Present	Managing Partner	Sahaporn Accounting Office
							1993-Present	Chairman	DBMT
							2012-2013	Independent Director and Audit Committee	Kaset Thai Sugar Industry Co., Ltd.
							2009-2013	Special Qualified Directors, Faculty of Business Administration	Rajamangala University of Technology Thanyaburi
							2009-2011	Chairman of Audit Committee	Interlink Communication Pcl.
							2549-2009	Chairman of Audit Committee	Asia Fiber Pcl.
							2005-2006	Chairman of Audit Committee	Thailand Management Association
							2005-2011	Associated Judge	The Central Intellectual Property and International Trade Court
							2005-2011	Treasurer	The Thailand Chamber of Commerce and Board of trade of Thailand
							2005-2011	Chairman of accountance and financial	The Thailand Chamber of Commerce and Board of trade of Thailand

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Acting Sub Lt. T-rayooth Changpetch	73	Independent Director, Chairman of Risk Management Committee and Audit Committee	- Bachelor of Laws, Thammasat University	DAP 97/2012 ACP 41/2012 MFM 8/2012	none	none	2002-2006	Advisor of Audit Committee	The Federation of Thai Industries
							2000-2002	Vice President, TaxBusiness Land and Investment Committee	The Federation of Thai Industries
							2013-Present	Independent Director, Chairman of Risk Management Committee and Audit Committee	Kaset Thai International Sugar Corporation Pcl.
							2012-2013	Independent Director and Audit Committee	Kaset Thai Sugar Industry Co., Ltd.
Mr.Issakan Krivitthaya	72	Independent Director, Chairman of Nomination and Remuneration Committee and Risk Management Committee	- Master of Economics, North Dagota State University U.S.A - Certificate, American Institute of Banking (New York) U.S.A. - Bachelor of Accounting , Institute of Banking Thammasat University	DAP 97/2012 ACP 41/2012 MFM 8/2012	none	none	2013-Present	Independent Director, Chairman of Nomination and Remuneration Committee and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
							2012-2013	Independent Director	Kaset Thai Sugar Industry Co., Ltd.
							2013-Present	Independent Director and Nomination and Remuneration Committee	Kaset Thai International Sugar Corporation Pcl.
Asst. Prof. Dr. Phoosak Boonsalee	67	Independent Director and Nomination and Remuneration Committee	- Doctor of Arts (Business Administration), Chaopraya University - M.A. (PHILOSOPHY) , Kasetsart University - MBA.(Management) Eastern Asia University	DAP 97/2012	none	none	1995-Present	Director and Chief Executive Officer	Saksiam Phanich Leasing Co., Ltd
							2012-2013	Independent Director	Kaset Thai Sugar Industry Co., Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
Mr.Krairit Nilkuha	64	Independent Director and Chairman of Audit Committee	<ul style="list-style-type: none"> - M.Sc. in Petroleum Engineering, New Mexico Institute of Mining and Technology, USA - B-B.Sc. in Mechanics Engineering, Kasetsart University - Diploma, the National Defense Course, Class 48 (2005), National Defence College - Senior Executive Program, Batch#8, Capital Market Academy 	ACP 13/2006 ACP 24/2008	none	none	2014-Present	Director	Solar Power (Surin1) Co.,Ltd
							2014-Present	Director	Solar Power (Surin2) Co.,Ltd
							2014-Present	Director	Solar Power (Loey2) Co.,Ltd
							2014-Present	Director	Solar Power (Khon Kaen 10) Co.,Ltd
							2014-Present	Independent Director and Chairman of Audit Committee	Kaset Thai International Sugar Corporation Pcl.
							2013-Present	Director	PEA Encom International Co.,Ltd
							2000-Present	Director	Bangchak Petroleum Pcl.
							2000-Present	Chairman	Technical Petroleum Training Institute Foundation
							2013-2014	Director	Thai Credit Guarantee Corporation (TCG)
							2010-2013	Director	PTT Public Company Limited
Mr.Shunsuke Tsujiyama	46	Director, Assistant to Chief Executive Officer and Assistant to Chief Financial Officer	<ul style="list-style-type: none"> - College of Economics, Yokohama National University 	DAP 108/2014	none	none	2009-2012	Director-General	Department of Alternative Energy Development and Efficiency
							2008-2009	Deputy Permanent Secretary	Ministry of Energy
							2013-Present	Director, Assistant to Chief Executive Officer	Kaset Thai International Sugar Corporation Pcl.
								Assistant to Chief Financial Officer	
							2008-2013	Division Head, Consumer Goods and Service Division	Sumitomo Corporation Thailand Ltd., Sumi-Thai Internal Limited (Bangkok)
							2004-2008	Assistant to General Manager, Sweeteners	Sumitomo Corporation Ltd.

Name	Age (Year)	Position	Education	Seminar on Role and Respon sibility	Share holding (%)	"Family Relation ship among Company's Directors	Experiences during the past 5 years.		
							Period	Position	Company
							1993	& Beverages Dept. Staff Member, Sugar Dept. (Tokyo)	Sumitomo Corporation Ltd.
Mrs.Nomchit Acaramaekin	56	Director – Accounting Department	- Bachelor of Accounting, Bangkok University	-	none	none	2012-Present	Director –Accounting Department	Kaset Thai International Sugar Corporation Pcl.
							2008-2012	Assistant to General Manager	Kaset Thai Sugar Industry Co., Ltd.
Mr. Pongpop Popvipak	81	-	- Bachelor of Engineering The University of Taipei Mechanical engineer	-	none	none	Present	Consulting Engineers	Thai Identity Sugar Factory Co.,Ltd
							2007-2011	Deputy Managing Director	Environment Pulp and Paper Co., Ltd.
Mr.Suchart Pipattanachaipong	53	Company Secretary	- MBA, Ramkhamhaeng University - Bachelor of Business Administration, Assumption University	CSP 53/2013 BRP 12/2013 EMT 30/2014 CRP 8/2014	none	none	2013-Present	Company Secretary	Kaset Thai International Sugar Corporation Pcl.
							Present	Director	Kaset Thai Bio Power Co., Ltd.
							Present	Director	Kaset Thai Bio Fertilizer Co., Ltd.
							1996-2013	Factory Manager	Kaset Thai Sugar Industry Co., Ltd.
							2005-2013	Factory Manager	Ekarat Pattana Co., Ltd.
							2537-1996	Factory Manager	Ruampol Enterprise Co., Ltd. จำกัด
							1989-2537	Deputy to Factory Manager	Kaset Thai Sugar Industry Co., Ltd.

Business Overview

History and Milestones

Kaset Thai International Sugar Corporation Public Company Limited (“the Company”), formerly known as Kaset Thai Sugar Industry Company Limited, and companies in KTIS group are founded by Mr. Jaroon and Mrs. Hathai Siriviriyakul. With more than 49 years of professional experience in sugar business, KTIS group has extended into integrated sugar production business.

In 2013, the Company has converted into a public limited company and increased its registered capital from Baht 3,274,573,000 to Baht 3,888,000,000. In 2014, the Company has been listed on the Stock Exchange of Thailand which Baht 3,860,000,000 has been paid up and the security symbol KTIS on the Stock Exchange of Thailand.

At the beginning, the group’s sugar business was limited only to a sugar distribution in Nakhonsawan province. In 1967, Mr. Jaroon Siriviriyakul and a group of local distributors in Nakhonsawan province jointly acquired Mahakun Industry Company Limited, which has a sugar factory with the production capacity of 500 tons per day as a core asset, and renamed the company “Ruampol Enterprise Company Limited (“RPE”). With continuous improvement and development, the company’s crushing capacity has increased from 500 tons of cane per day to 15,000 tons of cane per day.

In 1981, the Company acquired Thai Identity Sugar Factory Company Limited (TIS) and has continuously increased the production capacity of TIS’s sugar plant to the current level of 18,000 tons of cane per day.

In 1988, the Company further acquired Kaset Thai Sugar Company Limited which then had the production capacity of 6,000 tons of cane per day. To strengthen the financial structure and liquidity position of Kaset Thai Sugar Company Limited, our leadership has forged business partnership with UT Group Partnership Limited, a Singapore-based company, in 2008 to establish Kaset Thai Sugar Industry Company Limited which has incorporated sugar factory of Kaset Thai Sugar Company Limited in its umbrella and has further expanded its production capacity to stand today as the world’s largest sugar factory with the capacity of 55,000 tons of cane per day.

In 2003, the Siriviriyakul family expanded into downstream business by establishing a joint venture with Permsinpattana Company Limited and 2 Singapore-based companies, i.e. King Wan Corporation Limited and Xylem Investment Partnership Limited. The JV was named Environmental Pulp and Paper Company Limited (“EPPCO”) to produce bleached pulp from bagasse which is a by-product of the sugar production process. At present, EPPCO can produce up to 100,000 tons of bleached pulp annually.

In 2004, the Siriviriyakul family founded a new company, namely Ekarat Pattana Company Limited (“EPC”) under a joint venture with King Wan Industries Partnership Limited, Far East Distillers Partnership Limited and Sinotac Group Partnership Limited which are Singaporean entities to produce and sell ethanol from molasses. At present, EPC has the production capacity of 230,000 liters per day.

In 2010, the Siriviriyakul family commenced a new project that utilizes bagasse, a by-product from sugar production, for electricity generation. Kaset Thai Bio Power Company Limited (“KTBP”) was established to run a 60MW biomass power plant which has commercially operated since 7 October 2013.

In 2011, the Siriviriyakul family furthered the advancement by recycling filter cake from sugar production process and vinasse from the biogas and ethanol production process into soil conditioner and organic fertilizer products. Kaset Thai Bio Fertilizer Company Limited (“KTBF”) was established as a wholly-owned subsidiary of EPC in order to expand its integrated sugar business. KTBF has commercially operated and targets to reach the production capacity of 9,000 tons per year in 2015.

To foster business growth through enhanced cane productivity and quality, in 2012 the Company furthered its cane farming and harvesting by purchasing 40 John Deere cane harvesters from T.K. Equipment Company Limited, an authorized dealer of John Deere in Thailand. As a condition under the cane harvester purchase agreement, John Deere will provide us training and consultation on the maintenance, repair, and development of our farming tools and equipment in order to increase the crop productivity of our farmers and in turn supply for our business operations.

In 2013, the Board and the shareholders’ meeting approved the Company’s acquisition of Thaiekaluck Power Company Limited (“TEP”) to operate a 50MW biomass power plant with bagasse provided directly by TIS. In addition, the Company has established Ruampol Bio Power Company Limited (“RPBP”) to operate a 50MW biomass power plant with bagasse provided directly by Ruampol factory.

The Board and the shareholders’ meeting also approved the establishment of Sapsirikaset Company Limited (“SSK”) to be in charge of the acquisition of lands to support KTIS group’s business expansion. In 2013, SSK has purchased a total of 2,629-1-16 rais from parties not related to the Company.

In September 2013, Sumitomo Corporation and Nissin Sugar Company Limited entered into the investment agreement to purchase the Company’s ordinary shares worth up to Baht 2,650.0 million via 3S Holding Company Limited. As the companies are globally renowned trader and sugar manufacturer, the Company expects that the trilateral synergy will help strengthen the Company’s competitiveness in the global market and business expansion in the Southeast Asia region.

In November 2013, the Board approved the establishment of (1) Lopburi International Sugar Company Limited (“LIS”) to support the group’s sugar business expansion, (2) Lopburi Bioethanol Company Limited (“LBE”) to support the ethanol business expansion, and (3) Lopburi Biopower Company Limited (“LBP”) to support the power business expansion. The Company is applying for applicable licenses and BOI investment privilege certificates for these companies.

In September 2014, the Board approved the establishment of (1) KTIS Biogas Power Company Limited (“KBGP”) to support the power business expansion, and (2) KTIS Bio Power Company Limited (“KBE”) to support the ethanol and biomass power business. The projects are still under further research.

Business Overview

The Company and companies in KTIS group operate a fully-integrated sugar production and distribution business as No. 3 leader in Thailand. In addition to 3 sugar factories, of which 2 are owned by the Company and 1 is leased, the Company also have ethanol plant, bleached bagasse pulp plant, power plant and pelletized organic fertilizer plant.

The Company's businesses can be divided into 2 fields:

1. Sugar Production and Distribution Business

The Company produces sugar and distributes its sugar products to domestic and international customers through KTIS, TIS and KTIS (Branch 3). Sugar products of the Company are refined sugar, white sugar and raw sugar.

2. Downstream Business

Byproducts such as molasses and bagasse from the Company's sugar production process lead to many downstream business opportunities as listed below:

(1) Bleached Bagasse Pulp Production and Distribution Business

The Company operates bleached bagasse pulp production and distribution business through EPPCO. The group's pulp factory is located near the Company's sugar plant and can produce pulp from bagasse which is a byproduct from the sugar production process. EPPCO has 2 types of bleached pulp products: dry pulp and wet pulp.

(2) Ethanol Production and Distribution Business

The Company operates ethanol production and distribution business through EPC and uses molasses derived from the group's sugar factories as a primary raw material. At present, EPC manufactures and distributes 2 different grades of ethanol products: industrial alcohol and fuel alcohol.

(3) Electricity Generation and Sale Business

At present, the Company's sugar factories and bleached bagasse pulp factories are equipped with electricity and steam generating modules which use bagasse, a byproduct from production processes, as primary feedstock. The electricity and steam generated are used in the production processes of our 3 sugar factories and other factories. The surplus electricity is sold to the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authorities (PEA) under the power purchase agreements (PPAs). KTBP has also been established to operate the 60MW biomass power plant which is currently in commercial operation. The Company is now constructing new power plants to be operated by TEP and RPBP with the capacity of 50 MW each in Uttaradit province and Nakhonsawan province.

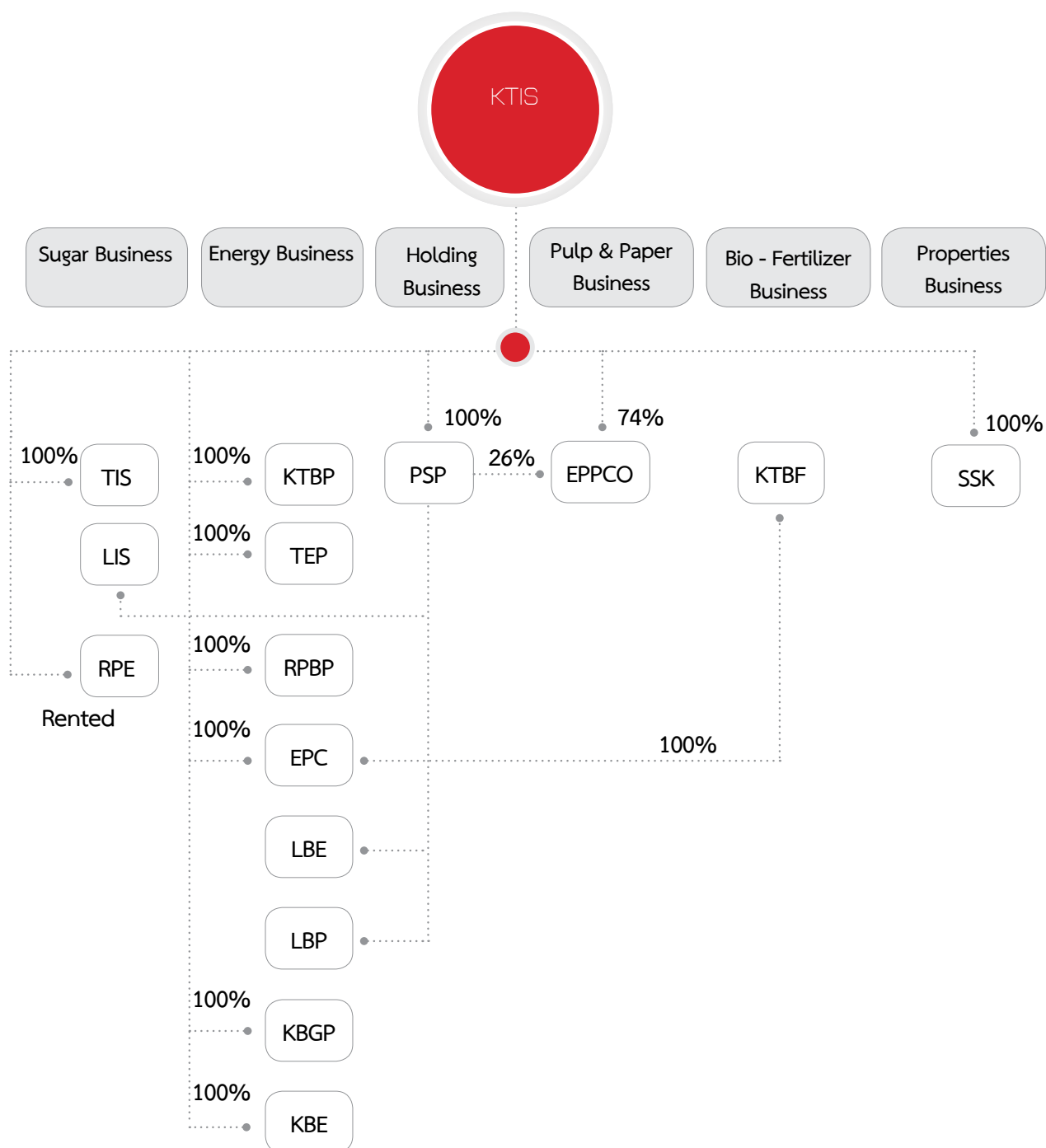
Presently, the Company had invested in 14 subsidiaries and leases fixed assets from Ruampol

Enterprise Co., Ltd.(RPE) as detailed following :

Subsidiary	Type of Business	Shareholding [%]
Thai Identity Sugar Factory Co., Ltd.(TIS)	Sugar production and distribution to domestic and international markets	100.0
Ekarat Pattana Co., Ltd. (EPC)	Molasses-based ethanol production and distribution to domestic and international markets	100.0
Environment Pulp and Paper Co., Ltd.(EPPCO)	Production and distribution of bleached bagasse pulp to domestic and international markets	100.0 ¹
Kaset Thai Bio Power Co., Ltd. (KTBP)	Electricity generation	100.0
Permsinpattana Co., Ltd.(PSP)	A holding company which holds 26.0% shares of EPPCO	100.0
Kaset Thai Bio Fertilizer Co., Ltd. (KTBF)	Production and distribution of bio fertilizer	100.0 through EPC
Thaiekaluck Power Co., Ltd.(TEP)	Electricity generation (under construction)	100.0
Sapsirikaset Co., Ltd.(SSK)	Land acquisition to support the group's business expansion	100.0
Ruampol Bio Power Co., Ltd. (RPBP)	Electricity generation (under construction)	100.0
Lopburi International Sugar Co., Ltd.(LIS)	Sugar production and distribution (under consideration)	100.0 through PSP
Lopburi Bioethanol Co., Ltd. (LBE)	Ethanol production and distribution (under consideration)	100.0 through PSP
Lopburi Biopower Co., Ltd.(LBP)	Electricity generation and sale (under consideration)	100.0 through PSP
KTIS Biogas Power Co., Ltd. (KBGP)	Electricity generation and sale (under consideration)	100.0
KTIS Bio Energy Co., Ltd.(KBE)	Ethanol production and distribution (under consideration)	100.0

¹ Directly holds 74.0% of the total shares and directly holds 26.0% of the total shares through Permsinpattana Co., Ltd.

Corporate Business Structure



Nature of Business

Revenue structure of corporate

In 2014, Sugar and molasses revenue was 77.8% of the total revenue, another 22.2% of the total revenue was from downstream businesses such as pulp paper, electricity and ethanol etc. Details for 3 years were as follows :

	2012		2013		2014	
	Revenue (MB)	%	Revenue (MB)	%	Revenue (MB)	%
1. Sugar and molasses sales revenue						
• Domestic	7,335.7	29.8	5,701.5	31.6	5,902.5	29.4
• International	13,772.2	55.9	8,525.1	47.2	9,741.9	48.4
Total sugar and molasses sales revenue	21,108.0	85.7	14,226.6	78.8	15,644.3	77.8
2. Pulp sales revenue						
• Domestic	474.1	1.9	319.6	1.8	424.2	2.1
• International	1,200.1	4.9	1,176.0	6.5	1,174.0	5.8
Total pulp sales revenue	1,674.2	6.8	1,495.6	8.3	1,598.3	7.9
3. Ethanol sales revenue						
• Domestic	679.3	2.8	1,433.1	7.9	1,736.4	8.6
• International	527.0	2.1	112.3	0.6	0.00	0
Total ethanol sales revenue	1,206.3	4.9	1,545.4	8.6	1,736.4	8.6
4. Other sales revenue						
• Electricity sales revenue	85.0	0.3	263.6	1.5	616.0	3.1
• Revenue from other sales and services	557.3	2.3	520.5	2.9	525.2	2.6
Total other sales revenue	642.3	2.6	784.1	4.3	1,141.2	5.7
Total revenue	24,630.8	100.0	18,051.7	100.0	20,120.1	100.0

Source: The Company's financial statements.

Business Goals

- **Leadership in Cane, Sugar and Other Related Businesses**

The Company aspires to become the leader in the integrated sugar business. To this end, we have continuously developed the production processes and product quality to support our customer bases in Thailand and other countries. We remain steadfast in expanding into other related businesses through new business development and acquisition to optimize the use of byproducts and waste for creating added value to the business and the shareholders.

- **Leadership in Sugar Production and Distribution**

To sustain its solid leadership in the industry, the Company has unrelentingly undertaken product development projects. Our key strategic projects include the improvement of refined sugar production processes and product line expansion to introduce new sweetener products to the market.

- **Leadership in Bio Energy Business**

The Company aims to expand the bio energy business and the sugar business continuously and concurrently through the capacity expansion of biomass power plants to accommodate the future demand for our production plants and the commercial sale with a view to maximizing the return to our shareholders.

- **Leadership in Bio Product Business**

Research and development plans have been implemented to support the Company's expansion into downstream businesses such as ethanol production, value-added bleached bagasse pulp products from bagasse and other new businesses.

Sustainable Growth

- **Improvement of Production Process**

The Company aims to develop continuously and to enhance its production processes and efficiency to maintain its leadership in sugar production and distribution. Machinery improvement plan has been carefully crafted to achieve the energy cost reduction and regular maintenance has been conducted to increase operational efficiency.

- **Sustainable Source of Quality Raw Materials**

The development of cane farming and cane farmers is among the Company's top priorities. We have conducted numerous research projects to increase cane farming productivity for our contracted farmers to secure and expand our supply sources and promote the wealth of cane farmers in accordance with the Company's philosophy of "The sustainability of KTIS is dependent on the success of sugarcane farmers".

- **Personnel Development**

As human resources are a critical success factor of every business, personnel development plan is high on the Company's agenda. We offer to our personnel numerous training and development programs and opportunities to innovate and experiment new ideas which will lead to meaningful development of the Company such as In-house Engineer Training Courses, Cane Farmers Training Programs and etc. And also have scholarship program for students, most of which are family members of sugar cane farmers.

Integrity and Corporate Governance in Management

- **Transparency**

To promote transparency and equitable treatment of shareholders, the Company have made public disclosures in strict compliance with applicable criteria and requirements and have the Company's operations audited by independent internal and external auditors.

- **Corporate Social Responsibility**

Believing that the betterment of the surrounding communities is essential for the business sustainability, the Company has made in cash and in kind contributions to social development which is considered one of our key missions.

- **Health and Safety Promotion**

As the health and safety of stakeholders are a key concern of the Company, we strictly comply with legal requirements including health and safety promotion. In addition, we strive to enhance the quality standards in every process, from production to distribution, and conduct regular check to ensure the good quality of products and the workplace safety for our employees.

Nature of Business

1. Sugar Production and Distribution Business

The capacity of the Company's sugar factories is approximately 88,000 tons of cane per day. The Company produces and sales sugar to domestic and international customers. The products can be categorized into 3 types: refined sugar, white sugar, and raw sugar.

- **Raw Sugar**

Raw sugar crystals are dark brown in color and the color index of raw sugar ranges from 1,001- 3,800 ICUMSA. This type of sugar must be purified and processed into white sugar or refined sugar and cannot be consumed directly.

The Company specially produce J-spec raw sugar according to the Japanese regulatory standards, for export to Japan and acquires high J-spec raw market share.

- **White Sugar**

White sugar is raw sugar that has been purified to remove impurities in sugar crystals. Its color is lighter than raw sugar, either light brown or white, and ranges from 46 – 1,000 ICUMSA. This type of product is typically used in soft drinks and convenience food businesses as well as household consumption.

- **Refined Sugar**

Refined sugar is raw sugar that, similarly to white sugar, has been processed to remove impurities in sugar crystal. Refined sugar has a higher level of purity than white sugar and is crystal white in color with the color index of 0 - 45 ICUMSA. This type of product is suitable for industries which required sugar with high purity index such as pharmaceutical industry and beverage and energy drinks industry.

Details of the Company's sugar products are shown in the table below

Product	Color (ICUMSA)	Polarization (%)	Moisture (%)
J-Spec Raw Sugar	1001 - 3800	96.00 – 97.99	Not exceeding 0.6
Raw Sugar	1001 - 3800	Not less than 98.00	Not exceeding 0.6
White Sugar	46 - 1000	Not less than 99.50	Not exceeding 0.04
Refined Sugar	0 - 45	Not less than 99.80	Not exceeding 0.04

Source: KTIS.

Market Conditions and Competition - Sugar

- Global Market Conditions**

Sugar is one of the most important commodities in the world. Major sugar producers are Brazil, India, European Union, Thailand and USA. Asia is the continent that records the highest sugar output, accounting for 36.9% of the global output in the production year 2013/2014. Thailand is the world's No. 5 leader in sugar production but the domestic sugar consumption rate of Thailand

(1) Major Changes in Global Sugar Market in Past Decade

- Sugar Trade Liberalization in Brazil**

When the sugar trade liberalization was first introduced and the controls were eventually relinquished in Brazil, it had caused structural changes to Brazilian sugar industry and signification increase in the country's sugar exports. As Brazil is the exporter leader in the world market, any factors effect Brazil sugar industry, will have material impact on the global sugar market as well such as the movement of Brazilian Real, Brazil's sugar and ethanol policies etc.

- Lower Sugar Production in EU Countries**

In 2004, the World Trade Organization (WTO) ruled that EU's sugar subsidies violated the General Agreement on Tariffs and Trade (GATT) and thus cut its support for EU's sugar production. Therefore, the refined sugar exports of EU under WTO's quota reduced from approximately 6.0 million tons per year to approximately 1.7 million tons per year.

- Asian Economic Growth**

The continuous economic growth of Asian countries, specially China, India and ASEAN countries, led to higher sugar consumption and production of the region. At present, Asia's sugar production is around 60 - 70 million tons per year while the consumption outpaces the production, hence the need for sugar imports at more than 20.0 million tons each year.

- **Higher Investment in Commodities Futures by Hedge Fund**

During the past 5 years, hedge funds have increasingly shifted their focus to commodities markets, especially agricultural commodities and sugar commodities. This has intensified the sugar price volatility.

(2) Sugar Demand and Supply

In 2013/2014, the global sugar output was forecast at approximately 182 million tons, decreasing from 184.9 million tons in 2012/2013 while the consumption rate was expected to increase to approximately 173.4 million tons, 1.5% higher than the previous year's consumption rate of 170.9 million tons. The sugar supply surplus which has persisted for 4 consecutive years in the global market put pressure on sugar prices. Due to the downward price trends, cane farmers have switched to other crops and the sugar production in certain countries have declined. Thus, the global sugar output is forecast at 181.9 million tons while the consumption should continue to grow to 177.4 million tons. Asia is the biggest sugar producer and recorded the output of approximately 66.2 million tons in the production year 2013/2014, accounting for 36.4% of the global sugar output, followed by South America which produced approximately 45.7 million tons or 25.1% of the global sugar output.

Source: LMC International, Sugar and Sweeteners Market Report, Fourth Quarter 2014

- **Domestic Market Conditions**

As the cane and sugar industry has large-scale impact on the country's economy and farmers, the government enacted the Cane and Sugar Act B.E. 2527 (the Cane and Sugar Act) on 27 July 1984.. The Cane and Sugar Act aims to foster Thailand's economic stability, protect the interest of cane farmers and promote fairness for cane farmers, sugar manufacturers and consumers. The sugar production has increased continuously. In the production year 2013/2014, Thailand produced 11.33 million tons of sugar while the domestic demand was only 2.4 million tons, leading to the excess of 8.93 million tons for export. Domestic sugar prices are controlled by the Ministry of Commerce according to the annual notification of the Central Committee on Goods and Services Prices regarding the sugar pricing and selling conditions.

In the production year 2013/2014, Thailand recorded the total sugar output of 11.33 million tons as shown below:

Producer	Number of Sugar Factory of Each Producer	Sugar Output (Ton)	Market Share (%)
Mitr Phol Sugar Group	6	2,303,718.86	20.32
Thai Roong Ruang Sugar Group	7	1,752,163.15	15.46
KTIS Group	3	1,055,148.01	9.31
Khon Kaen Sugar Group	5	906,121.99	7.99
Wangkanai Sugar Group	4	700,668.10	6.18
Korat Industry Sugar Group	2	674,168.88	5.94
Banpong Sugar Group	2	462,232.92	4.07
Cristalla Sugar Group	3	377,315.87	3.32
Kumphawapi Sugar Group	2	368,652.57	3.25
Thai Sugar Mill Group	2	278,757.04	2.45
Khonburi Sugar Group	1	272,706.66	2.40
Mitr Kaset Sugar Group	2	241,584.78	2.13
Others	11	1,939,667.27	17.11
Total	50	11,332,906.09	100

Source: 2013/2014 Cane and Sugar Production Report as of the End of Cane-Crushing Period, Office of Cane and Sugar Board.

Competitive Strategy

1. Security of Raw Material Supply

The Company has put importance to investments and developments in terms of academic sectors, service excellence, farmers' knowledge and cultivation system which contribute to better quality of sugar products and plantations. With a reliable source of quality raw material supplies, our sugar business and other downstream businesses are able to proceed for continuous and sustainable growth.

2. Production Efficiency and Cost Reduction

The Company has steadily invested in our human resources and machineries in order to improve our production efficiency, and also planed to increase the sugar production capacity to capture the advantage of economies of scale, which will result in lower average costs. The Company employs a team of engineers who are capable of investing and developing our own machinery at the lower cost than purchases of imported machineries. In addition, this team of engineers can maintain and repair the majority of our machineries without third-party assistance.

3. Mitigation of Impact of Natural Disasters

Recognizing the threats from natural disasters, such as drought and pest infection, to our raw material supply, the Company has developed several corrective and preventive measures by introducing innovations and techniques derived from the Company's researches and studies for better agricultural productivity. For examples the drip irrigation system which can solve the issue of water supply shortage during the dry season and the biological pest control technique which makes use of natural enemies such as *Trichogramma* spp., *Cotesia* sp. and Earwigs..

4. Development of Value-Added Products

The Company strives to convert byproducts and waste into value-added products in order to increase the value for our shareholders and minimize waste from the sugar production processes. Under the visionary leadership of our management team, we aim to create an eco-friendly supply chain through the application of clean and eco-friendly technologies. The Company has collaborated with Sumitomo Corporation Co., Ltd., our strategic partner and investor, and other world-class organization in continuously adding value to core products and byproducts.

Distribution Channel – Sugar

1. Industrial Customers

Industrial customers purchase sugar products with the intent of using them as raw materials in their production process and typically procure sugar products in a large volume under annual purchase agreement. The Company has successfully attracted and retained industrial customers who comprise a large proportion of the Company's sales revenue as a result of the Company's reliability in terms of stable supply, fine quality, and punctual delivery.

The industrial customers are as follows:

Type of Industrial Customer	Financial Year Ended					
	2012 (Sales Record)		2013 (Sales Record)		2014 (Sales Record)	
	Quantity ¹ (ton)	%	Quantity ¹ (ton)	%	Quantity ¹ (ton)	%
Beverage Industry	126,254.5	54.6	97,847	47.1	93,325.05	45.8
Food Industry	16,945.3	7.3	19,987	9.6	19,597.05	9.6
Dairy Products Industry	86,980.8	37.6	89,042	42.9	90,835.95	44.6
Candy	1,074.0	0.6	744	0.4	31.00	0.01
Total	231,254.6	100.0	207,619	100.0	203,789.95	100.0

Source: KTIS

1 Consolidated sales of the following 3 sugar factories:

1) Sugar factory operated by Kaset Thai International Sugar Corporation Pcl. (KTIS)

2) Sugar factory operated by Thai Identity Sugar Co., Ltd. (TIS)

3) Sugar factory which KTIS has leased from Ruampol Enterprise Co., Ltd. (RPE) under a long-term lease agreement

2. Distributors

The Company sells sugar by way of the “ex-factory” method to distributors which comprise a smaller proportion of the Company’s sales revenue, compared to industrial customers. This is partially because the Company has to sell sugar to distributors at a discount to the prices announced by the Ministry of Commerce. The discount rates depend on the prevailing market conditions and demand.

3. Overseas Customers

Sugar exports to Japan accounts for approximately 60.0% of the Company’s total export sales. Most of overseas customers are sugar traders, including well-known companies such as Cargill International S.A., Bunge Agribusiness Singapore Pte. Ltd., Sumitomo Corporation, Marubeni Europe Plc. and Mitsubishi Corporation etc. The Company has particularly focused on Japanese traders as target customers for our J-Spec raw sugar.

2. Bleached Bagasse Pulp Production and Distribution Business

The Company operates bleached bagasse pulp production and distribution business through EPPCO, which has the production capacity of approximately 100,000 tons per year. The factory is currently the only mill that can produce bleached bagasse pulp which is a byproduct from the Company’s sugar production process. EPPCO has 2 types of bleached pulp products: dry pulp and wet pulp.

- **Dry Pulp**

Dry pulp is made from bagasse with a moisture content of about 10 - 12%. It weighs about 250 kilogram per bale and has a brightness of no less than 80% ISO with TAPPI dirt count of less than 10 ppm. Dry pulp is a core product of bleached bagasse pulp business.

- **Wet Pulp**

Wet pulp is made from bagasse with moisture content of about 50. - 52.0%. It weighs about 225 kilograms per bale but has the same brightness and TAPPI dirt count as dry pulp. It can be used more easily than dry pulp in a paper manufacturing process because of its higher moisture content, which saves time in the re-boiling process. However, wet pulp has a shorter storage period than dry pulp and incurs higher transportation costs. Thus, EPPCO distributes wet pulp only to domestic customers.

Market Conditions and Competition - Bleached Bagasse Pulp

1. Global Market Conditions

In 2014, the weak global economy had a huge ripple effect on the pulp and paper industry, particularly the printing and writing paper segments. As the installation of new paper machines which have started operation in China caused oversupply on these segments. While the production of short fiber pulp in South African countries started, the oversupply situation caused the price to decline which had persisted since the first quarter until the final quarter of 2014.

- **Pulp price movement in December 2014**

Selling prices of pulp in China: The price of long fiber pulp declined from 700-730 USD/Ton in December 2013 to 695-715 USD/Ton in December 2014 while the price of short fiber pulp declined from 610-640 USD/Ton in December 2013 to 575-590 USD/Ton in December 2014. In other East Asian countries, the price of long fiber pulp reduced from 760-780 USD/Ton in December 2013 to 730-750 USD/Ton in November 2014 while the price of short fiber pulp decreased from 630-650 USD/Ton in November 2014 to 575-590 USD/Ton in December 2014.

Source: PPI ASIA's report as of 5 December 2014

- **2015 Global Outlook and Forecast**

The pulp and paper industry outlook remains bearish in 2015 as the global economy shows no sign of significant recovery and the persistent paper and pulp oversupply issue which will continue to depress the prices of pulp products, particularly bleached eucalyptus wood pulp. However, if the economies of USA and Europe improve, the paper and pulp industry should be able to grow. Meanwhile, Asia will see a higher level of economic cooperation and integration as the AEC integration scheduled for late 2015 will boost the international trade volume among member countries, freer flow of labor, tourism, and business travels among member countries. The changes will lead to a rise in commodities consumption and demands for pulp and paper products such as sanitary paper and packages. Despite the predicted increase in demand for bagasse pulp on the back of economic recovery, the oversupply of short fiber pulp should be seen throughout 2015 and weigh on the price growth of short fiber pulp.

2. Domestic Market and Industry

The domestic pulp, cardboard, craft paper and corrugated paper production index showed the QOQ and YOY growth of Q2/2014 and H1/2014, because of stronger demands for domestic consumption, especially from the 2014 World Cup event, and higher exports to EU markets. While the printing and writing paper production decreased as there were many imported volumes from other countries. The export increase QOQ and YOY for pulp, paper and paper products in Q2/2014 and H1/2014 because export volumes to EU market and several Asian countries such as China, South Korea, Myanmar, Malaysia and the Philippines increased on the back on recovering economies.

The volume of pulp and paper scrap imports in Q2/2014 grew QOQ and YOY due to the demand of materials for package production but the H1/2014 imports decreased from the previous year because Thailand's economy was just recovering from the political crisis and THB currency which fell below the previous year's level. Imports of paper and paper products dropped QOQ and YOY in Q2/2014 while the import volume of H1/2014 slightly increased due to the balance of domestic demand and supply. Trade volume of printing materials declined QOQ and YOY in Q2/2014 and saw a negative YOY growth in H1/2014 as people were reducing unnecessary expenses. Brighter outlook of the pulp, paper and printing material industry in Thailand in Q3/2014 despite the expected decrease in printing and writing paper production caused by the import of cheaper printing and writing paper.

The pulp, paper and paper product segment and related businesses should grow on account of investment and economic expansion in Asean countries and EU countries. The book and printing material segment might see decelerated growth and was threatened by digital media which have grown in number and popularity.

Dipping pulp imports were expected while paper and paper product imports should rise in anticipation of higher demand for paper products and packages. The volume of imported printing materials should also increase as a higher level of textbook imports was expected for the new university semester.

- **Bagasse Market Condition in 2014**

Despite the feeble economic recovery and economic slowdown in certain counties, the demand for bagasse in domestic and international markets remained positive. Nonetheless, several manufacturers have increased their use of eucalyptus short fiber pulp which was cheaper than bagasse due to the dramatic price decline of short fiber pulp caused by global oversupply.

Bagasse continues to see strong and consistent demand from eco-friendly package manufacturers as bagasse is a primary raw material for green products which also include printing and writing paper and sanitary paper.

In 2014, although the Company's production decreased, the selling price increased as there were continuous demand for bagasse in onshore and offshore markets. For the year 2015, there may be a drop in the Company's pulp production which will result in higher production costs but the selling prices will be increased accordingly.

The table below shows information about Thailand's leading pulp manufacturers in 2013.

Manufacturer	Production ('000 tons)	Raw Material
Double A	560	Eucalyptus
Phoenix Pulp & Paper	240	Eucalyptus and bamboo
Panjapol Pulp Industry	110	Eucalyptus
SCG Paper	107	Eucalyptus and CTMP
EPPCO	100	Bagasse
Siam Cellulose	86	CTMP
Fiber Pattana	20	UHT box
Thai Gorilla Pulp	9	Palm leaf
Total	1,232	

Source: 2013 – 2015 Directory of the Thai Pulp and Paper Industries Association (TPPIA)

Competitive Strategy

1. Reliable Raw Material Source

EPPCO has a strong raw material security as its bagasse supply is primarily provided by the Company and factories in KTIS group which altogether record the cane-crushing capacity of more than 10,000,000 tons of cane per year. This enables EPPCO to effectively plan its bagasse-based production in advance. With the raw material security, EPPCO can provide its clients with reasonable assurance of EPPCO's ability to satisfy their demand.

2. Low Cost of Raw Materials

EPPCO has lower production costs, compared to other pulp manufacturers, largely thanks to the short distance between EPPCO factory and the Company's factories being EPPCO's suppliers. The delivery of supply through conveyor belt system instead of trucks which leads to substantial save transportation costs.

3. Environmental Friendliness

Bleached bagasse pulp of EPPCO is virgin pulp which is made from bagasse and thus is environmentally friendly. The increasing environmental awareness has led to the rise in demand for EPPCO's eco-friendly products. EPPCO's bleached bagasse pulp factory is the first pulping factory that is awarded the ISO 22000 food safety accreditation and the GMP&HACCP certification from SGS (Thailand) Co., Ltd. which guarantee that its products are safe for consumption and can be used as raw material for food packaging production.

Distribution Channel – Pulp

Domestic Distribution

EPPCO distributes bleached bagasse pulp directly to industrial customers on a monthly basis or as agreed with customers. Strategic customers of EPPCO include major leading paper product manufacturers in Thailand using eco-friendly pulp in their operations such as SCG Paper Pcl., Kimberly-Clark (Thailand) Co., Ltd., Berli Jucker Co. Ltd., Cellox Co. Ltd. and Biodegradable Packaging for Environment Co. Ltd. To promote customer satisfaction, EPPCO has technical sales personnel who are highly knowledgeable and can provide customers with useful information for correct and efficient use of bleached bagasse pulp.

Overseas Customers

Generally, distribution of bleached bagasse pulp to international markets is made through brokers under spot contracts and the prevailing market conditions and price movement are taken into consideration. Our sales through spot contracts comprise approximately 90.0% of our total export sales while the remaining 10.0% is under long-term contracts. To mitigate associated risks, our selection of brokers is based on their ability to penetrate markets which have strong pulp demands and their credibility. EPPCO's management team has implemented proactive marketing activities such as participation in trade expos to attract new

customers. Sales through brokers enable EPPCO to determine the price and quantity of the product it intends to sell at its discretion, without having to negotiate with the end customers. EPPCO's revenue is primarily from international sales which accounted for approximately 70-78% of its total revenue during the year. EPPCO's brokers include leading international companies such as Marubeni Corporation, OG Corporation, Beijing China Base Star Paper Co., Ltd. and Inter fiber Asia Pte. Ltd.

4. Ethanol Production and Distribution Business

The Company operates ethanol production and distribution business through EPC and uses molasses derived from the group's sugar factories as a primary raw material which record the maximum production capacity of 230,000 liters per day or 75,900,000 liters per year. EPC is licensed to produce 3 different grades of ethanol products: potable alcohol, industrial alcohol and fuel alcohol. Presently, EPC manufactures industrial alcohol and fuel alcohol at the market.

Market Conditions and Competition - Ethanol

- **Global Market Conditions**

Investors viewed that the YOY 4.6% increase in USA ethanol price was driven by the recovering U.S. economy while Brazil's ethanol price which slumped 13.3% YOY was caused by the decreasing oil price. International ethanol price is expected to be within the range of USD 0.50-0.60 per liter.

Source: Thai Ethanol Price Movement Update of November 2014, Bank of Thailand

- **Domestic Market and Industry**

The Thai ethanol reference price increased 52 % YOY due to higher demand. The domestic demand for ethanol has continuously increased as consumers have increasingly switched to gasohol fuel, driven by the government's promotion of alternative fuel consumption and plan to increase the ethanol production to 9 million liters per day or approximately 3,285 million liters per year by 2021. At present, Thailand records the ethanol outputs of approximately 765 million liters per year from molasses and approximately 300 million liters per year from cassava. If the growth of ethanol demand is in line with the government's renewable and alternative energy development plan, Thailand will need to triple its ethanol production capacity to meet the projected demand.

In 2014, Thailand had 21 ethanol factories with the total production capacity of 4.79 million liters per day while the average consumption stood at around 3.2 million liters per day. However, the actual daily ethanol output should be lower than the mentioned production capacity, given a limited number of ethanol producers that can produce ethanol all year round. The table below shows information about Thailand's leading ethanol factories :

	Company	Capacity	Production Material
1	Mitr Phol BioFuel Co., Ltd. (Chaiphaphum)	500,000	Molasses
2	E85 Co., Ltd.	500,000	Cassava /Starch
3	Ubon Bio Ethanol Co.,Ltd	400,000	Cassava / Cassava Chips
4	Khon Kean Alcohol Co.,Ltd (Bo Ploi)	300,000	Molasses
5	Taiping Ethanol Co Ltd.	300,000	Cassava
6	Ekarat Pattana Co.,Ltd	230,000	Molasses
7	Mitr Phol BioFuel Co., Ltd. (Kalasin)	230,000	Molasses
8	Maesod Clean Energy Co., Ltd.	230,000	Cane juice
9	Thai Sugar Ethanol Co.,Ltd	200,000	Molasses
10	Mitr Phol BioFuel Co., Ltd. (Dan Chang)	200,000	Molasses
	Other	1,700,000	
	Total	4,790,000	

Competitive Strategy

1. Product Variety

EPC offers a wide range of products for different needs of customers in each industry. EPC's ethanol plant is licensed to produce 3 different grades of ethanol products: potable alcohol, industrial alcohol and fuel alcohol. The product variety has contributed to EPC's competitive edge in international markets over many other ethanol plants in Thailand which mostly are licensed to produce only fuel alcohol production for domestic distribution.

2. Reliable Product Delivery

EPC's punctual and reliable product delivery to customers is one of its key strengths. With steady molasses supply from factories in KTIS group for its ethanol production process, EPC is safe from the raw material shortage issue and can punctually deliver products to its customers, leading to strong customer confidence and trust in EPC.

3. Product Quality

Committed to achieving excellent quality standards, EPC has continuously attempted to develop the quality of its products. All ethanol products of EPC are therefore meet regulatory quality standards. In addition, EPC's distillation columns have been developed to accommodate the production of B-grade ethanol which is high quality product commonly sold in the international market.

4. Marketing Strategy

Recognizing the intensifying competition in the energy industry, EPC has proactively formulated and implemented marketing strategy to grow its customer base, especially in offshore markets. This includes EPC's regular participation in meetings and training courses arranged for domestic and international ethanol producers to reap benefits from opportunities to meet with customers and intermediaries as well as to continuously expand its customer base.

Distribution Channel – Ethanol

1. Domestic Customers

EPC produces ethanol with 99.5% purity for domestic oil dealers to use for blending as biofuels to support the government's policy to promote the consumption of alternative energy and the reduction of imported fuels and crude oil. EPC's major customers, defined as "traders" under Section 7, are PTT Pcl., Thai Oil Pcl. and Bangchak Petroleum Pcl. As of 31 December 2014, revenue from domestic sales of fuel alcohol accounted for 100% of the total annual revenue from ethanol sales.

2. Overseas Customers

EPC's ethanol products are sold to overseas customers through distributors. Previously, EPC exported industrial alcohol with 95.5% purity and fuel alcohol with 99.5% purity to overseas markets.

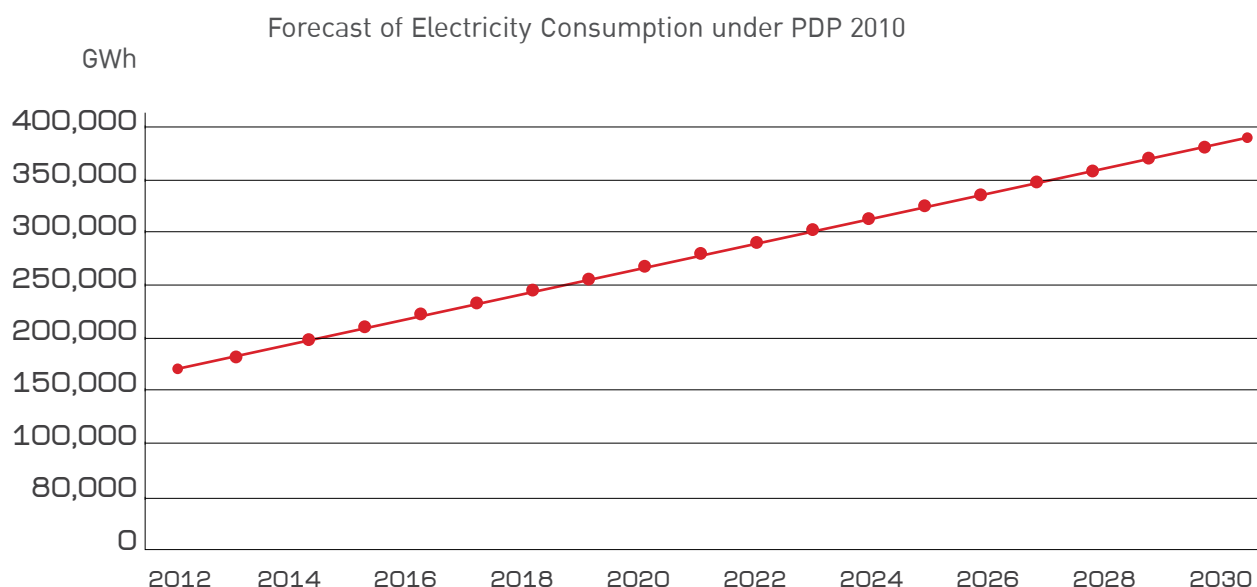
Following the implementation of the Ministry of Energy's policy to discontinue 91-octane gasoline sale on 1 January 2013, the rate of domestic ethanol consumption has risen and EPC has since discontinue its export of fuel alcohol and industrial alcohol to overseas markets.

4. Electricity Generation and Sale

At present, the Company's sugar factories and bleached bagasse pulp factories are equipped with electricity and steam generating modules which use bagasse, a byproduct from production processes, a primary feedstock. The electricity and steam generated are used in the production processes of our 3 sugar factories and other factories. The surplus electricity is sold to the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authorities (PEA) under the power purchase agreements (PPAs). Kaset Thai Bio Power Co., Ltd. (KTBP) 60 MW Electricity From Biomass had been established which operated and sold electricity while TEP projects in Uttradit province and RBPB projects in Nakhonsawan province with the capacity of 50 MW each, are being developed.

Thailand's Electric Power Industry Trend and Electricity System

In response to the trend of continuous growth in electricity consumption and demand, the Energy Policy and Planning Office, Ministry of Energy, has formulated Thailand's Power Development Plan for 2010 – 2030 (PDP 2010), Third Revision, to support power generation planning. The forecast of domestic electricity consumption under PDP 2010 is as shown below:



Source: Thailand's Power Development Plan for 2010-2030 (PDP 2010), Third Revision, Ministry of Energy.

The above forecast indicates that the electricity consumption will grow 3.9% annually on average. Thus, the increase of electricity generating capacity is necessary for the ability to respond to the growing demand.

Competitive Strategy

To enhance the electricity and steam production efficiency, the Company has enhanced its electricity generation processes and integrated advanced technologies in the process. Examples include the use of high-pressure boilers at KTBP's power plant as they are more efficient, in terms of steam and electricity generation, low-pressure boilers used in the production processes of the sugar factories of Company, TIS and RPE and in EPPCO's pulp factory. The steam and electrical power generated by companies in our group should lead to its higher revenue from steam and electricity sales and lower production costs.

Distribution Channel – Electricity

Steam and electricity generated by the Company's power plants are used in 3 sugar factories and EPPCO's pulp factory while the surplus is sold to EGAT or PEA pursuant to each factory's PPAs.

RISK MANAGEMENT

In recognition of the importance of effective risk management, the Board of Directors has established the Risk Management Committee which is comprised of independent directors and senior executives to review risk management policies and framework and to oversee the effectiveness of the risk management programs to ensure consistent and proper compliance with the established risk management process of the Company. By setting the business objectives that are clear and supportive to the Company's directions, the identification of key risk issues associated with each risk type, the assessment of risk levels and risk priorities, the risk management approaches and plans to keep each risk within an acceptable level, key risk indicator monitoring and risk reporting.

Material Risk Factors

1. World Sugar Price Volatility

The world sugar price has been highly volatile due to pressure from various factors such as the demand and supply of sugar producing and consuming nations, import and export volumes of each country and speculation in commodity markets.

The demand and supply fluctuation is influenced by weather and climate conditions and policies of each country. Government set policies for promotion and intervention of sugar imports and exports especially in the developed countries. Sugar price volatility is also related to the fuel price movement because sugar cane juice and molasses are primary sources of ethanol which is blended with gasoline. These factors, among others, have caused the world sugar price to be highly volatile.

The price volatility in global markets also has a significant impact on the Company's sales performance, particularly export sales. As the domestic sugar price is controlled by the Ministry of Commerce, our domestic sales performance is not affected by the global price movement. Nonetheless, as the Company's export volume, which depends on the sugar cane supply and domestic consumption levels, generally accounts for at least 60% of the total sales. Therefore majority of our total sales performance is sensitive to the world sugar price volatility at 60% level.

2. International Trade Barrier

Global competition has intensified and several countries have implemented trade barriers which include tariff barriers, such as high taxes on imports, and non-tariff barriers, such as sugar import quota and specification for goods. The duty-free access which the European Union has exclusively offered to sugar exporters in 50 least developed countries caused disadvantages to Thailand which is not entitled to such exclusive privilege.

At present, sugar export sales accounts for more than 60% of the Company's total sales and our major market is Japan. Therefore, the Company is sensitive to changes in trade barriers of importing countries, especially in Japan, as the changes might cause adverse effect on the Company's competitiveness and sugar prices in export markets

The ASEAN Economic Community (AEC) integration to be launched on 31 December 2015 will strengthen trade cooperation among member states, namely Thailand, Malaysia, Singapore, Indonesia, the Philippines, Vietnam, Laos, Myanmar, Cambodia and Brunei. It will lead to, among others, the standardization of simple customs procedures and the elimination or minimization of tax barriers for goods including sugar which has been a topic on the negotiation agenda and trade agreements of ASEAN countries.

Changes in agreements and conditions governing trading of sugar and related products will certainly affect the Company's export performance. On the other hand, as Thailand is the only net sugar exporter in the AEC, the Company should highly benefit from greater business opportunities offered by free-trade measures under the AEC agreements made with other ASEAN countries which all are net importers.

3. Sugar Cane Supply Adequacy and Quality

Sugar cane is the most important raw material for the production of sugar and related products. Therefore, the scarcity of sugar cane supply will limit the Company's sugar production and ability to respond to market demand. The cane quality indicated by the sugar content directly related to the quantity of sugar output and varies inversely to the quantity of required cane supply. Thus, the Company might encounter supply shortage if the sugar cane stocks are of low quality.

Drought and climate variability, coupled with poor rainfall, which had hit Thailand since late 2013 and continued into 2014 may cause a quantitative and qualitative fall in crop yield of 2014/2015 crop season. As a result of prolonged cool weather in 2013, the sugar cane yield in 2013/2014 crop season was of high quality while the crop yield in 2014/2015 crop season remains unpredictable as a result of climate uncertainty. Additionally, several sugar mills have increased their daily crushing capacity while the average crop yield declined and the overall sugar cane cultivation remained muted. This should cause fiercer competitions among sugar mills for sugar cane supplies and unfavorable effects on production costs, domestic and international sales performance of the Company.

According to sugar cane farmers and sugar companies, Thailand's sugar cane output in 2014/2015 crop season is expected to be under 100 million tons, less than the crushed cane output of more than 103 million tons in 2013/2014 crop season, and the supply decrease might affect the Company's performance. In addition, as a result of the 70:30 revenue sharing scheme of Thailand's cane and sugar business, a fall in the global sugar price will cause a decrease in sugar cane price. Due to the lower cane output estimate of less than 100 million tons, the global sugar price may start to rise.

In the wake of the risk assessment results, the Company has proceeded with the risk mitigation by entering into sale and purchase agreements with sugar cane farmers, especially those in areas which are remote from our mills and generally supply sugar cane to various sugar mills, to secure a consistent sugar cane supply for our sugar mills. Another risk mitigation measure includes our cooperation with sugar cane farmers in agricultural development to keep the crop yield on par with the projections. Brix measurement has been conducted and compared to the results of the prior year to determine the appropriate harvesting period and plots. Concurrently, we have improved our machinery for enhanced sugar production capacity and efficiency.

To neutralize the consequences of the said risk on the group's consolidated net profits, the Company has focused on enhancing the profitability of our biomass power plant, paper pulp plant and ethanol plant to compensate for a profit decline which sugar plants might experience.

4. Shortage of material (bagasse) for power generation and pulp production

Our business expansion into the sale of electrical power is an extension of our waste optimization initiative. Bagasse which is a by-product of the sugar production has been developed into value-added products such as bleached pulp as well as a source of power generation. Thus, bagasse supply is a key risk factor for the Company's business.

To mitigate the said risk, the Company has been seeking alternative fuels for power generation both in the short-term and long-term. In 2015 sugar cane leaves, wood chips, corn leaves and stems, corncob, and cassava roots will be used as alternative fuel sources. We have planned to mainly use sugar cane leaves from our contractual sugar cane farmers, in addition to bagasse procured from other plants. Moreover, we have researched on energy crop cultivation to identify long-term and sustainable solution which can provide fuel security for our power generation business in the future.

Eucalypti and jutes can be used as substitutes for bagasse in the pulp production. The Company has also planned to create eco-friendly packages to add value to pulp products.

Furthermore, less energy consumption means to allocate more bagasse supply for power generation and pulp production. Therefore, the Company has integrated the machinery efficiency enhancement into the long-term plan of sugar plant business to reduce the energy consumption. The program is expected to complete in 2017 and contribute to progressive reduction of energy consumption.

Securities Details and Shareholding Structure

Securities of the Company

As at December 31, 2014 ,the Company had registered capital Baht 3,888,000,000 and paid-up capital Baht 3,860,000,000. Ordinary shares 3,888,000,000 shares , par value Baht 1 per share.

Shareholders

As at December 31, 2014, major shareholders of the company as following:

No.	Name	No. of Shares	% of Total Shares
1	GROUP OF MRS.HATHAI SIRIVIRIYAKUL	2,107,991,000	54.611
	MRS.HATHAI SIRIVIRIYAKUL	1,652,995,200	42.824
	MR. SIRAPAK SIRIVIRIYAKUL	190,200,000	4.927
	MR.SIRAPAT SIRIVIRIYAKUL	120,892,900	3.132
	MS.SIRAARPA SIRIVIRIYAKUL	38,880,000	1.007
	MR.PRASONG SIRIVIRIYAKUL	27,216,000	0.705
	MRS. VORAYA SIRIVIRIYAKUL	27,215,900	0.705
	MRS.DARAT VIBHATAKALASA	12,349,900	0.320
	MISS KANOK THIP SIRIVIRIYAKUL	8,746,000	0.227
	MR.PRASERT SIRIVIRIYAKUL	5,832,000	0.151
	MS. PRANEE SIRIVIRIYAKUL	5,832,000	0.151
	MR.PRIN SIRIVIRIYAKUL	5,832,000	0.151
	MR.PAN SIRIVIRIYAKUL	5,832,000	0.151
	MR. PRACH SIRIVIRIYAKUL	5,832,000	0.151
	MISS ARISARA SIRIVIRIYAKUL	330,000	0.009
	MISS ISARAPORN SIRIVIRIYAKUL	5,000	0.000
	MR.NATHAPUN SIRIVIRIYAKUL	100	0.000

No.	Name	No. of Shares	% of Total Shares
2	3S HOLDING COMPANY LIMITED ⁽¹⁾	708,964,800	18.367
3	BANK OF SINGAPORE LIMITED	243,138,600	6.299
4	GROUP OF MR. POOMRERK WANGPREEDALERTKUL	187,414,000	4.855
	MR. POOMRERK WANGPREEDALERTKUL	113,714,400	2.946
	MR. POOMRATA WANGPREEDALERTKUL	60,273,600	1.561
	MR. SUPOJ WANGPREEDALERTKUL	6,344,000	0.164
	MRS.NAWARAT WANGPREEDALERTKUL	6,282,000	0.163
	MR.SURAT WANGPREEDALERTKUL	800,000	0.021
5	MAYBANK KIM ENG SECURITIES PTE.LTD.	128,000,000	3.316
6	กลุ่ม KING WAN CORPORATION LIMITED	113,168,000	2.932
	KING WAN CORPORATION LIMITED	87,267,000	2.261
	KING WAN INDUSTRIES PTE. LTD.	25,901,000	0.671
7	MR.ARNUT REUNGKUL	48,709,100	1.262
8	THAI NVDR COMPANY LIMITED	35,534,281	0.921
9	MRS.WEENA TARANANITIKUL	31,720,100	0.822
10	Miss Chua Eng Eng	21,544,000	0.558
TOTAL		3,626,183,881	93.943

Remark

(1) The registered capital and paid up capital of 3S Holding Co.,Ltd consists of 7,089,648 shares at par value of THB.100.00 per share or THB 708,964,800

At December 31,2014, major shareholders of the company as following (exclude Treasury Stock)

No.	Name	No. of Shares	% of Total Shares
1	Hathai Jaroon Ek Holding Co., Ltd ⁽²⁾	4,172,239	58.85
2	Sumitomo Corporation	2,431,173	34.29
3	Nissin Sugar Co., Ltd	486,234	6.86

(2) The registered capital and paid up capital of Hathai Jaroon Ek Holding Co., Ltd consists of 2,050,000 shares at par value of THB.100.00 per share or THB 205,000,000

No.	Name	No. of Shares	% of Total Shares
1	Mrs.Hathai Sirirviriyakul	2,049,998	100

Other Securities

Warrants (WARRANT) represents, warrants to purchase common stock of the Company or KTIS shares.

Securities Name	:	KTIS-WA, the Warrant to purchase the ordinary shares of Kaset Thai International Sugar Corporation Public Company Limited issued and offered to the executives and employees of the Company
Type	:	In named certificates and non-transferable
Term	:	5 years from the date of the offering
Number of Warrants	:	Not exceeding 28,000,000 units
Offering Price per Unit	:	Baht 0 (zero baht)
Number of allocated ordinary shares	:	Equivalent to the number of warrant issued and offered to accommodate the exercise rights (not exceeding 28,000,000 shares, at the par value of Baht 1 per share)
Exercise Ratio	:	1 unit of warrant per 1 ordinary share (except for future adjustment on exercise rights, whereas the employees' rights will not be reduced)
Exercise Price	:	Equivalent to initial offering price of Baht 10 per share
Secondary Market	:	The Company will list the ordinary shares from the exercise as the listed securities on the Stock Exchange of Thailand
Exercise Date	:	1 December 2014
Expiration Date	:	30 November 2019

Dividend Policy

It is the Company's policy to pay out dividend at a minimum of 50% of its net profit according to the Company's separate financial statements, after the deduction of all legal reserves and provisions pursuant to the Company's Articles of Association and applicable laws, unless prohibited by necessities or loan agreements. Such dividend payment, according to the Board's judgment, shall not have material effects on normal business operations of the Company and shall be for the best interest of the shareholders. Annual dividend payments shall be proposed through the Board to the shareholders' meeting for approval whereas the interim dividend payment shall be subject to the Board's approval and reported to a subsequent shareholders' meeting for acknowledgment. The Company may propose to shareholders' to approve the non-payment of dividend in order to allocate the funds to investment projects as and where appropriate.

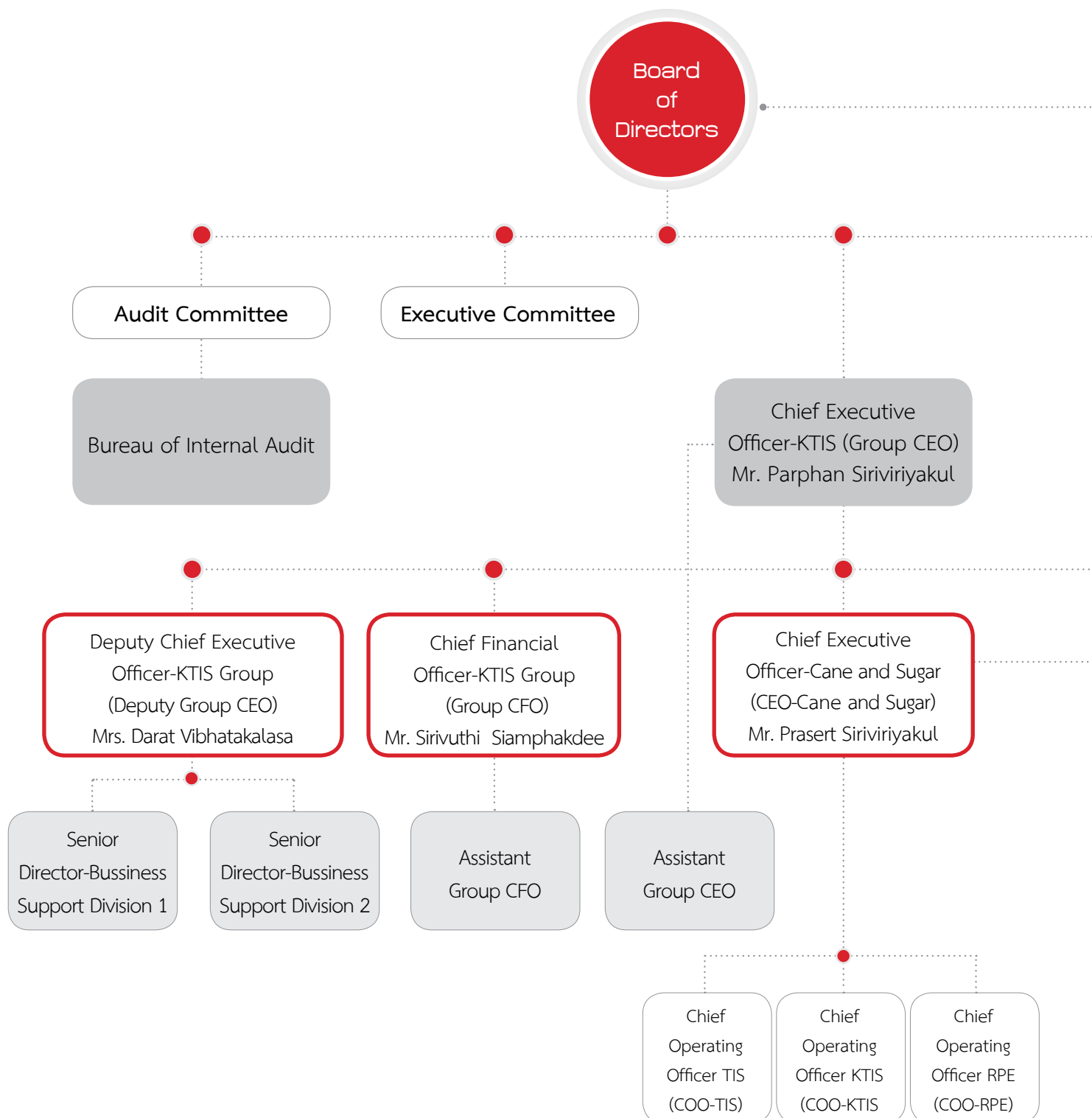
The Company's subsidiaries have the policy to pay dividend at a minimum of 50% of their net profit according to their financial statements, after the deduction of corporate income tax, statutory reserves and all other provisions. Considerations will also be given to their cash flow, financial status, liquidity position and investment plans at a particular period. Among companies in KTIS group, only Kaset Thai Bio Power Co., Ltd. is allowed by lending banks to pay dividend to shareholders, subject to prior permission from lenders, where it does not default on repayment and can maintain the debt service coverage ratio (DSCR) of 1.25x at the closing date of its annual financial statements.

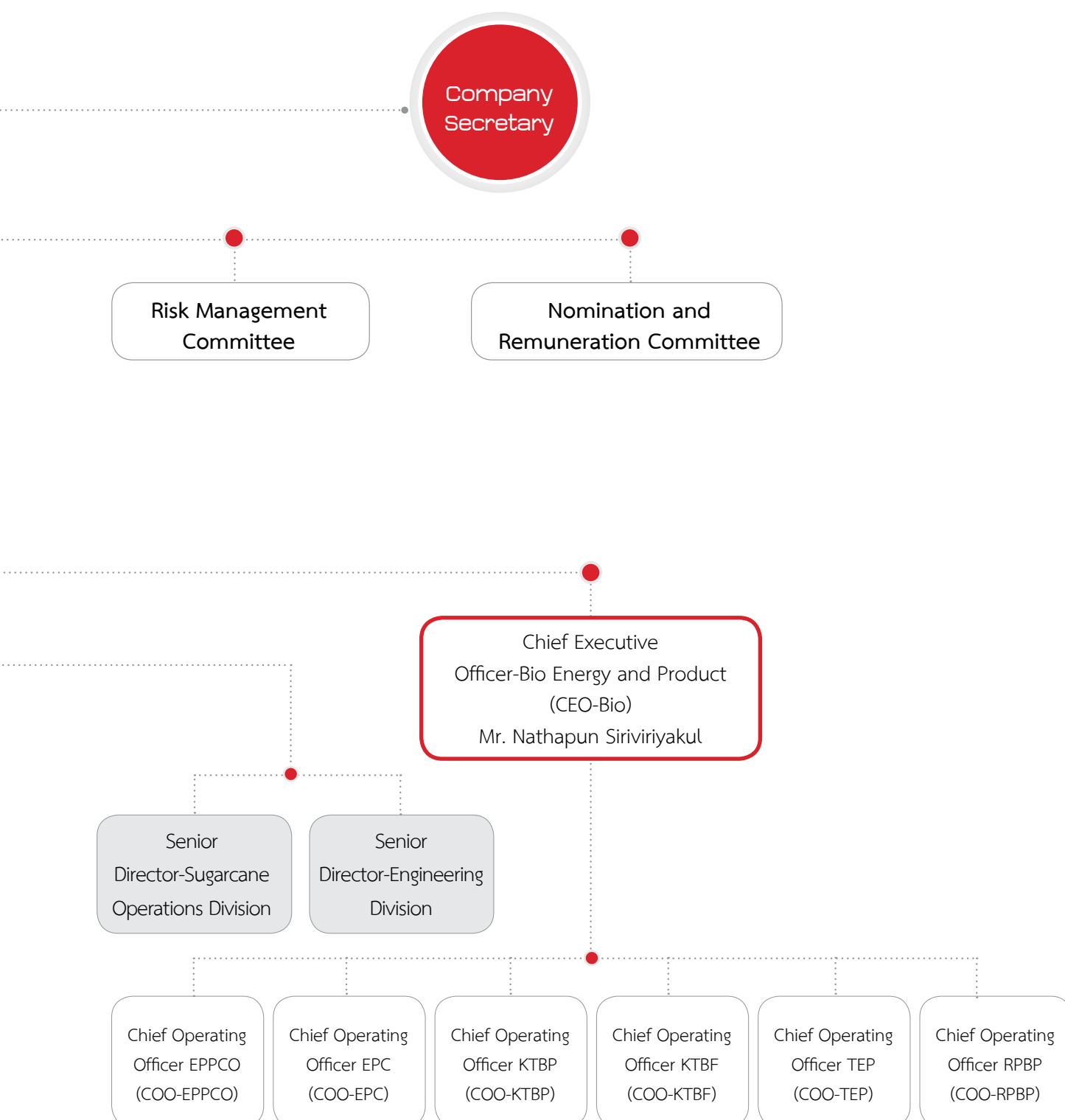
Details of dividends	2014 (Proposed)	2013
Net Profit (Baht)	1,129,090,738	774,609,481
Number of shares		
Number of shares at interim dividend	3,860,000,000	-
Number of shares at the annual dividend.	3,860,000,000	-
Total dividend per share (Baht : Share)		
Interim dividend (Baht : Share)	0.30	-
Annual dividend (Baht : Share)	0.18	-
Total dividends paid (Baht)*	1,852,800,000	-
Dividend Payout Ratio	164.10%	-

*Remark The Company paid an interim dividend of Baht 0.30 per share ,total paid 1,158,000,000 Baht from the retained earnings since year 2011 – 2012. In 2014,the Company paid dividend from operating results Baht 0.18 per share, total paid 694,800,000 Baht.

Management Structure

- Diagram : Management Structure





• Our Management Structure

We have five committees, namely, the board of directors (our “Board” and the members of the Board, “Directors”), the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Executive Committee.

Our Board

As at December 31, 2014, our Board consists of the following Directors:

Name	Position
1. Mr. Pricha Attavipach	Chairman
2. Mr. Sirivuthi Siamphakdee	Vice-Chairman
3. Mr. Parphan Siriviriyakul	Director
4. Mr. Nathapun Siriviriyakul	Director
5. Mrs. Darat Vibhatakalasa	Director
6. Mr. Prasert Siriviriyakul	Director
7. Ms. Siraarpa Siriviriyakul	Director
8. Mr. Apichart Noochprayoon	Director
9. Mr. Shunsuke Tsujiyama	Director
10. Ms. Chua Eng Eng	Director
11. Mr. Krairit Nilkuha	Independent Director/Chairman of Audit Committee
12. Mr. Sathaporn Kotheeranurak	Independent Director/Member of Audit Committee
13. Mr. T-rayooth Changpetch	Independent Director/ Chairman of Risk Management Committee / Member of Audit Committee
14. Mr. Issakan Krivitthaya	Independent Director/ Chairman of Nomination and Remuneration Committee
15. Asst.Prof.Dr. Phoonsak Boonsalee	Independent Director

Mr. Suchart Pipattanachaiyapong is the company secretary .

Directors who are Authorized Signatories

Our authorized signatories can be divided into the two following groups:

Group 1

Mr. Parphan Siriviriyakul, Mrs. Darat Vibhatakalasa, Mr. Prasert Siriviriyakul and Mr. Nathapun Siriviriyakul.

Group 2

Ms. Chua Eng Eng, Mr. Sirivuthi Siamphakdee, Mr. Apichart Noochprayoon, and Mr. Pricha Attavipach

Any two Directors from Group 1, or any one Director from group 1 together with any one Director from Group 2, may jointly sign on our behalf and stamped by the Company Stamp.

(1) Term of Directorship

One-third of all the current Directors shall resign at every annual general meeting of the shareholders. If the total number of Directors is not a multiple of three, the number of Directors closest to one-third of the total number of Directors on the Board shall retire from office. The Directors retiring from office in the first two years following our listing on the SET shall be selected by way of drawing lots. In the subsequent years, the Directors who have held office for the longest time shall retire. A retiring Director is eligible for re-election.

(2) Scope of power, duties and responsibility of our Board

- (a) The Board shall perform its duties with due diligence and honesty in accordance with the law, our business objectives, our Articles of Association and resolutions of our Board meetings and shareholders' meetings;
- (b) The Board shall consider and approve the vision, business strategies, business direction, business policy, targets, guidelines, operational plan and annual budget as prepared by the Executive Committee and Management;
- (c) The Board shall oversee the performance of the Executive Committee, the Chief Executive Officer, the Management or any other persons assigned to perform such duties, and ensure that they conform with policies that have been set out by the Board;
- (d) The Board shall continuously monitor our performance and operations and ensure that they are in line with our action plan and budget;
- (e) The Board shall ensure that we adopt appropriate and efficient accounting systems, and have implemented internal control and audit systems;
- (f) The Board shall prepare balance sheets and profit and loss statements on the last day of our financial period, and shall execute such financial statements prior to submitting them at the annual general meeting of shareholders for further approval;
- (g) Prior to presenting the proposal to the annual general meeting of shareholders for approval, the Board is to consider the selection and nomination of auditors and to determine their remuneration as proposed by the Audit Committee;
- (h) The Board shall implement a written corporate governance policy to ensure that the interests of each group of stakeholders is equally protected;
- (i) In appointing Directors, the Board shall appoint persons who have the requisite qualifications and who are not prohibited characters as prescribed by the Public Limited Company Act B.E. 2535 (1992) (as amended), the Securities Act, and any relevant notifications, rules and/or regulations. The Board shall also determine the remuneration of the Directors as proposed by the Nomination and Remuneration Committee before further submitting the proposal to a shareholders' meeting for approval;
- (j) The Board shall be responsible for the appointment of our sub-committee members, and shall prescribe the power and responsibilities of such subcommittees;
- (k) The Board shall ensure that our authorized signatories are changed from time to time;
- (l) The Board shall appoint Executives in accordance with the definitions prescribed by the SEC or the Capital Market Supervisory Board. The Board shall also appoint the Company Secretary and determine the remuneration of our Executives;
- (m) If necessary, the Board shall seek professional advice from third-party organizations to facilitate its decision-making; and
- (n) The Board shall encourage our Directors and Executives to participate in seminars conducted by

the Thai Institute of Directors.

However, the Board or its grantee shall not approve transactions in which the Board or its grantee or any person who may have any conflicts of interest (as defined in the notification of the SEC or the Capital Market Supervisory Board) or who may benefit in any manner which may give rise to a conflict of interest with the Company unless such transaction is consistent with our internal policies and criteria approved by our shareholders or the Board.

(3) Meetings of the Board

The table below shows the attendance of Directors at Board meetings in 2014.

Name	Attendance/Total Board's meetings in 2014 (ended December 31, 2014)
1. Mr. Pricha Attavipach	5/5
2. Mr. Sirivuthi Siamphakdee	4/5
3. Mr. Parphan Siriviriyakul	5/5
4. Mr. Nathapun Siriviriyakul	5/5
5. Mrs. Darat Vibhatakalasa	4/5
6. Mr. Sathaporn Kotheeranurak	5/5
7. Mr. Prasert Siriviriyakul	5/5
8. Mr. Krairit Nilkuha	4/4 (appointed on March 1, 2014)
9. Mr. T-rayooth Changpetch	5/5
10. Mr. Issakan Krivitthaya	5/5
11. Asst.Prof.Dr.. Phoonsak Boonsalee	5/5
12. Mr. Apichart Noochprayoon	5/5
13. Mr. Shunsuke Tsujiyama	4/4 (appointed on May 12, 2014)
14. Ms. Chua Eng Eng	4/5
15. Ms. Siraarpa Siriviriyakul	5/5

Our Audit Committee

As at December 31, 2014, our Audit Committee consists of the following members:

Name	Position
1. Mr. Krairit Nilkuha	Chairman/Independent Director
2. Mr. Sathaporn Kotheeranurak	Member/Independent Director
3. Mr. T-rayooth Changpetch	Member/Independent Director

Mrs. Natthira Paisayom is the secretary of the Audit Committee.

(1) Membership Term

The term of Directorship of the chairman and members of the Audit Committee is three years from the date of their appointment. Any retiring member of the Audit Committee may be re-elected. Where a Director's office in the Audit Committee is vacated by reason other than retirement, the Board shall elect a sufficiently qualified candidate to ensure that the requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time as the vacating Director was entitled to remain in office.

(2) Scope of power, duties and responsibility of the Audit Committee

- (a) The Audit Committee shall ensure that our financial statements are complete and accurate;
- (b) The Audit Committee shall ensure that we have implemented appropriate and efficient internal controls and audit systems, and that the Internal Audit Bureau is independent. It shall also be responsible for the approval of the appointment, transfer or termination of the Chief of the Internal Audit Bureau, or any other unit responsible for internal audit;
- (c) The Audit Committee shall ensure that we comply with securities and exchange laws, regulations of the SET and laws relating to our business operations;
- (d) The Audit Committee shall recruit and nominate an independent third-party as our auditor, determine the auditor's fees and hold at least one meeting per year with the auditor, without the participation of the management;
- (e) The Audit Committee shall ensure that our connected transactions, or transactions that may result in conflicts of interest, are conducted in compliance with the law and rules of the SET, and shall ensure that such transactions are reasonable and in our best interests;
- (f) The Audit Committee shall prepare an Audit Committee's report which will be disclosed in our annual report. The report must be signed by the chairman of the Audit Committee and shall contain the following details:
 - 1) an opinion on the accuracy, completeness and reliability of our financial statements;
 - 2) an opinion on the sufficiency of our audit control system;
 - 3) an opinion on compliance with securities and exchange laws, regulations of the SET and the laws relating to our business;
 - 4) an opinion on the suitability of the auditor;
 - 5) an opinion on transactions which may result in conflicts of interest;
 - 6) number of meetings held by the Audit Committee and the attendance record of each member of the Audit Committee;
 - 7) comments or overall remarks obtained by the Audit Committee in relation to its performance under the Audit Committee Charter; and
 - 8) other matters of which our shareholders and general investors should be informed;
- (g) if the Audit Committee, in the course of their duties, finds or is suspicious of one of the following transactions or actions which has significantly affected our financial standing and operating results, the Audit Committee shall report such transaction or action to the Board such that the relevant rectifications can be made:
 - 1) a transaction resulting in a conflict of interest;

- 2) fraud or any major irregularity or defect in our internal control system; or
- 3) a violation of securities and exchange laws, regulations of the SET and the laws relating to our business.

If the Board or Management fails to rectify the problem within the time specified, any member of the Audit Committee may make a report to the SEC or the SET; and

- (h) The Audit Committee shall perform any other activities as designated by the Board with the Audit Committee's approval.

Our Executive Committee

As at December 31, 2014, our Executive Committee consists of the following members:

Name	Position
1. Mr. Sirivuthi Siamphakdee	Chairman
2. Mr. Parphan Siriviriyakul	Member
3. Mrs. Darat Vibhatakalasa	Member
4. Mr. Prasert Siriviriyakul	Member
5. Mr. Nathapun Siriviriyakul	Member

Mr. Suchart Pipattanachaiyapong is the secretary of the Executive Committee.

(1) Membership Term

The term of membership of the chairman and members of the Executive Committee is three years from the date of their appointment. Any retiring member of the Executive Committee may be re-elected. In the event that there is a vacancy in a Director's office for reasons other than retirement, the Board shall elect a sufficiently qualified candidate as a member to ensure that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

(2) Scope of power and duties of the Executive Committee

- (a) The Executive Committee is responsible for managing our business in accordance with the objectives of our business operations, provided that management of our business shall be subject to policies, rules or orders prescribed by the Board. In addition, the Executive Committee is responsible for reviewing matters to be proposed to the Board for further approval;
- (b) The Executive Committee shall prepare our vision, business strategies and direction, business policies, targets, guidelines, operational plans and our annual budget, and shall present the same to the Board for approval;
- (c) The Executive Committee shall set up business policies and management authorization, shall approve our annual budget and comply with the business plan and strategy according to the policies and business model presented to the Board;
- (d) The Executive Committee shall efficiently oversee and monitor our operations in accordance with our management policies and guidelines as approved by the Board;
- (e) The Executive Committee shall approve matters or actions to be taken in the ordinary course of

our business, so long as it is within the Board's approved budget, does not involve the incurring of liabilities or encumbrances exceeding Baht 1,000 million, and does not have a term of over five years (liabilities or encumbrances include project finance facilities granted to us);

- (h) The Executive Committee shall make the following reports on our results of operations:
- 1) a quarterly report of our performance shall be submitted within the timeframe prescribed by the SET;
 - 2) an auditor's report in respect of our financial statements, including our annual and quarterly financial statements, shall be submitted within the timeframe prescribed by the SET; and
 - 3) other reports deemed appropriate by the Executive Committee;
- (i) The Executive Committee shall perform any other activities as designated by the Board;

Nevertheless, the Executive Committee shall not have the power to approve any transactions in which members of the Executive Committee or any other person may have a conflict of interest (as defined in the notification of the SEC) with the Company. In such event, the Executive Committee must present the transaction to the Board and/or the shareholders for approval in accordance with the relevant articles, notifications and laws.

Our Nomination and Remuneration Committee

As at December 31, 2014, our Nomination and Remuneration Committee consists of the following members:

Name	Position
1. Mr. Issakan Krivitthaya	Chairman
2. Mrs. Darat Vibhatakalasa	Member
3. Asst.Prof.Dr. Phoonsak Boonsalee	Member

Mr. Suchart Pipattanachaiyapong is the secretary of Nomination and Remuneration Committee .

(1) Membership Term

The term of membership of the chairman and members of the Nomination and Remuneration Committee is three years from the date of their appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

(2) Scope of power and duties of the Nomination and Remuneration Committee

- (a) The Nomination and Remuneration Committee shall review our business organization and the qualifications of our Directors and Chief Executive Officer in accordance with our business requirements;
- (b) The Nomination and Remuneration Committee shall nominate only persons whose qualifications are appropriate for holding office as Directors and our Chief Executive Officer, and shall set up transparent

nomination criteria and procedures for such persons. The nominations shall be presented at a Board meeting and/or a shareholders' meeting for approval;

- (c) The Nomination and Remuneration Committee shall implement procedures and rules to ensure that fair and reasonable remuneration, both in cash and in kind, will be granted to our Directors and the Chief Executive Officer. The Nomination and Remuneration Committee shall propose such remuneration at a Board meeting and/or a shareholders' meeting for approval;
- (d) The Nomination and Remuneration Committee shall report to the Board on its performance and shall prepare a Nomination and Remuneration Committee's report which will be disclosed in our annual report. The report must be signed by the chairman of the Nomination and Remuneration Committee;
- (e) The Nomination and Remuneration Committee shall conduct performance evaluations and prepare an evaluation report for the Board; and
- (f) The Nomination and Remuneration Committee shall perform any other activities as designated by the Board.

Our Risk Management Committee

As at December 31, 2014, our Risk Management Committee consists of the following members:

Name	Position
1. Mr. T-rayooth Changpetch	Chairman
2. Mr. Parphan Siriviriyakul	Member
3. Mr. Sirivuthi Siamphakdee	Member
4. Mr. Prasert Siriviriyakul	Member
5. Mr. Nathapun Siriviriyakul	Member
6. Mr. Issakan Krivithaya	Member

Mrs. Jariya Srisakda is the secretary of the Risk Management Committee.

(1) Membership Term

The term of membership of the chairman and members of the Risk Management Committee is three years from the date of their appointment. Any retiring member of the Risk Management Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

(2) Scope of power and duties of the Risk Management Committee

- (a) Before making management policy proposals to the Board for approval, the Risk Management Committee shall consider our risk management policies in light of changes in our business and circumstances;
- (b) The Risk Management Committee shall determine business strategies in accordance with our risk management policies;

- (c) The Risk Management Committee shall approve risk management indicators;
- (d) The Risk Management Committee shall monitor management's compliance with our risk management policies and control the efficiency of risk management;
- (e) The Risk Management Committee shall monitor the sufficiency of resources such as staff and systems for risk management;
- (f) The Risk Management Committee shall implement risk management procedures and rules for evaluating significant transactions before such transactions are presented to the Board and relevant committees for approval;
- (g) The Risk Management Committee shall monitor and report our risk status to the Board and the Audit Committee ;
- (h) The Risk Management Committee shall integrate corporate governance, risk management and legal compliance in order to achieve integrity-driven operations;
- (i) The Risk Management Committee shall set up a working team as may be appropriate; and
- (j) The Risk Management Committee shall perform any other activities as designated by the Board.

Our Executives

As at December 31, 2014, our Executives*, as defined in the Notification of the Securities and Exchange Commission No. KorChor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities, consists of the following members:

***Remarks:** An executive means a Director, a manager or the next four executives succeeding the manager, a person holding an equivalent position to the fourth executive, including a person holding the position of manager or the equivalent in the accounting or finance departments.

Name	Position
1. Mr. Parphan Siriviriyakul	Chief Executive Officer – KTIS Group
2. Mr. Sirivuthi Siamphakdee	Chief Financial Officer
3. Mrs. Darat Vibhatakalasa	Deputy Chief Executive Officer – KTIS Group
4. Mr. Prasert Siriviriyakul	Chief Operating Officer – Cane and Sugar
5. Mr. Nathapun Siriviriyakul	Chief Operating Officer – Bio Energy and Product
6. Mrs. Nomchit Akaramekin	Director of Accounting Division

(1) Scope of power and duties of the Chief Executive Officer – KTIS Group

- (a) The Chief Executive Officer – KTIS Group shall be responsible, overall, for our operations in accordance with our business objectives and the rules prescribed by the Board;
- (b) The Chief Executive Officer – KTIS Group shall implement and comply with the business strategies and directions approved by the Board;
- (c) The Chief Executive Officer – KTIS Group shall perform any activity designated by the Board and shall comply with policies prescribed by the Board;

- (d) The Chief Executive Officer – KTIS Group shall introduce regulations, notifications and memorandums in accordance with our policies;
- (e) The Chief Executive Officer – KTIS Group shall approve transactions taken in the ordinary course of our business, including transactions which do not bind any of our assets, and transactions which the Board has authorized the Chief Executive Officer – KTIS Group to approve;
- (f) The Chief Executive Officer – KTIS Group shall monitor management and officers to ensure that they are in compliance with our internal policies and business directions prescribed by the Board;
- (g) The Chief Executive Officer – KTIS Group shall review transactions affecting our rights and assets before referring proposals of such transactions to the Executive Committee or the Board for approval;
- (h) The Chief Executive Officer – KTIS Group shall monitor all expenses relating to our ordinary business operations and ensure that they are in accordance with the Board's approved budget;
- (i) The Chief Executive Officer – KTIS Group shall approve all investments in instruments and securities as approved by the Board;
- (j) The Chief Executive Officer – KTIS Group shall approve investments in business expansion and co-investment with other operators and submit proposals of such matters to the Board for approval;
- (k) The Chief Executive Officer – KTIS Group shall approve investment funds as prescribed in our annual budget or as approved by the Board;
- (l) The Chief Executive Officer – KTIS Group shall monitor our employees and ensure that they are in compliance with our internal policies and regulations, including our corporate governance regulations;
- (m) The Chief Executive Officer – KTIS Group shall take measures to enhance our employees' performance in order to improve our business performance;
- (n) The Chief Executive Officer – KTIS Group shall appoint relevant advisors necessary for our business operations;
- (o) Pursuant to the policies prescribed by the Board, the Chief Executive Officer – KTIS Group shall approve related party transactions conducted on an arm's length basis. Such transactions may involve trading at market prices, servicing with ordinary fees and the provision of credit on similar terms;
- (p) The Chief Executive Officer – KTIS Group shall approve the appointment, transfer and termination of employees, and may also delegate any of his duties to such other persons as he deems fit; and
- (q) The Chief Executive Officer – KTIS Group shall perform other activities as designated by the Board;
- (r) The Chief Executive Officer – KTIS Group shall not approve the following transactions:
 - 1) a related party transaction that is not in the ordinary course of our business;
 - 2) an acquisition or disposal of our material assets; and
 - 3) a transaction in which the Chief Executive Officer – KTIS Group, or any other person may have a conflict of interests with KTIS Group,

except where the transaction is in the ordinary course of our business, is prescribed by our Board and shareholder approved policies and provisions, and is in compliance with the relevant SEC regulations.

Our Company Secretary

Our Board, at the Board of Directors Meeting No. 5/2013 held on May 14, 2013, approved the appointment of Mr. Suchart Pipattanachaiyapong as our Company Secretary in compliance with the requirements of the Public Limited Company Act B.E. 2535 (1992) (as amended), the Securities Act.

(1) Scope of power and duties of the Company Secretary

- (a) The Company Secretary shall prepare and maintain the following documents:
 - 1) register of Directors;
 - 2) notices of Board meetings, minutes of Board meetings and annual reports; and
 - 3) notices of shareholders' meetings and minutes of shareholders' meetings;
- (b) The Company Secretary shall maintain reports on conflicts of interest; and
- (c) The Company Secretary shall perform any other task as required under the notifications of the Capital Market Supervisory Board.

● **Nomination of Directors and Executives**

The Nomination and Remuneration Committee shall be responsible for recruiting, selecting and nominating persons with the appropriate qualifications to be presented to the Board and/or the shareholders for approval. Such persons shall have the qualifications prescribed under Section 68 of the Public Limited Company Act B.E. 2535 (1992) (as amended) and must not be of character prohibited under the notification of the SEC No. ThorChor. 24/2551 re: Prerequisites of Directors and Executives of Securities Issuer Companies (as amended). In appointing Directors and Executives, the candidate's knowledge, ability and work experience will also be taken into account.

The composition and appointment of the Board, Audit Committee, Corporate Governance Committee, Executive Committee, Nomination and Remuneration Committee and Risk Management Committee can be summarized as follows:

Composition and appointment of the Board

The Board shall consist of no less than five Directors. At least half of the Directors must be domiciled in Thailand. The Directors may or may not be shareholders.

In appointing Directors, the Nomination and Remuneration Committee shall be responsible for recruiting and selecting persons with the requisite knowledge, ability and experience related to our business. The appointment of new Directors shall be approved at a Board meeting and/or a shareholders' meeting. Pursuant to our Articles of Association, the election of Directors at a shareholders' meeting shall be in accordance with the following rules and procedures:

- (1) each shareholder shall have one vote per share;
- (2) each shareholder shall use all of his votes to elect one or several persons as a Director or Directors. However, he may not divide his votes among multiple candidates; and
- (3) the persons who receive the most votes will be elected as Directors. The Chairman shall have a casting vote in the event that the election of two candidates who have equal votes will cause the number of Directors to be elected to exceed that prescribed in the meeting.

Any Director who desires to resign from office is required to submit a resignation letter. The resignation will be effective from the date the resignation letter is received.

Shareholders may, by passing a resolution by a majority consisting of three quarters or more of the total number of votes cast for and against such resolution at a shareholders' meeting, remove any Director from office prior to his retirement.

Composition and Appointment of the Audit Committee

The Audit Committee shall consist of at least three independent directors. At least one independent director of the Audit Committee must have sufficient knowledge and experience in accounting or finance to perform audits of our financial statements. Under the relevant Capital Market Supervisory Board's notifications, the Audit Committee/independent director:

- (1) including related persons of such independent director, shall not hold shares exceeding one per cent of the total number of shares in KTIS, our parent company, subsidiaries, associates, major shareholders or controlling persons;
- (2) must not:
 - (a) have participated in management;
 - (b) have been an employee, staff or advisor receiving a regular salary from us; and
 - (c) have been a controlling person of KTIS, our parent company, subsidiaries, associates, subsidiary company in the same level, major shareholders or controlling persons;unless the foregoing has ended not less than two years prior to the date of filing of an application with the Office of the Securities and Exchange Commission ("Office of the SEC") or if such independent director was a government official or government advisor of a unit which is our major shareholder or controlling person;
- (3) must not be the father, mother, spouse, sibling or child (including his or her spouse) of a Director or an Executive (including prospective Executives), major shareholder or controlling person (including prospective controlling persons), whether such relationship is determined by blood relations or legal relations;
- (4) must not:
 - (a) have or used to have a business relationship¹ with KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, in a manner which may interfere with his independent judgment;
 - (b) be or used to be an indirect significant shareholder or controlling person of any person having a business relationship with KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons;unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC.
- (5) must not be or must not have been the auditor of KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, or a significant shareholder, controlling person or partner of an audit firm carrying out the audit of KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC;

¹ Such business relationships include commercial transactions made in the ordinary course of business, renting or leasing of property, transactions in relation to assets or services, granting or receipt of financial support by receiving or giving loans, guarantees, providing assets as collateral and any other similar actions, which may result in us or a counterparty being subject to indebtedness amounting to an equivalent of 3% or more of our net tangible assets or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method of calculating the value of connected transactions specified in the notification of the Capital Market Supervisory Board governing rules on connected transactions. Such indebtedness shall include indebtedness incurred one year prior to the date in which the business relationship commences.

- (6) must not:
 - (a) be or have been a professional service provider, including legal or financial advisor receiving fees exceeding Baht 2 million per annum from KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons;
 - (b) be or have been a significant shareholder, controlling person or partner of such professional service provider;
 unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC;
- (7) must not be a director appointed to be a representative of Directors of KTIS, our major shareholder or shareholder who is a connected person of the major shareholder;
- (8) must not undertake any business which is in competition with us;
- (9) must not be
 - (a) a significant partner in a partnership;
 - (b) a Director participating in management;
 - (c) an employee; or
 - (d) an advisor;
 receiving a regular salary from or holding shares in a proportion exceeding 1% of the total number of shares of another company which is in competition with us;
- (10) must not have any other characteristics which may prevent him from expressing an independent opinion on our operations;
- (11) must not being a Director assigned by the Board to make decisions on business operations of KTIS, our subsidiaries, associates, subsidiary company in the same level, major shareholders or our controlling persons; and
- (12) must not being a director of listed subsidiaries.

Composition and Appointment of the Executive Committee

The Board selects Members of the Executive Committee from our Directors or key Executives. The Executive Committee shall report directly to the Board.

Composition and Appointment of the Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are selected and appointed by the Board. At least one third of all the members of the Nomination and Remuneration Committee shall be independent directors.

The Nomination and Remuneration Committee shall report directly to the Board.

Composition and Appointment of the Risk Management Committee

The members of the Risk Management Committee are selected and appointed by the Board. At least two members of the Risk Management Committee shall be independent directors. The chairman should be an independent director.

The Risk Management Committee reports directly to the Board.

• Remuneration of the Board and Executives

Monetary Remuneration

1. Remuneration of the Board

Directors' remuneration are categorized into monthly remuneration and meeting allowance per meeting. Our shareholders determined the remuneration of Directors at the Extraordinary Shareholders' Meeting No. 1/2014 held on March 13, 2014 to be as follows:

a. Directors' Remuneration

- | | |
|---------------------------------------|-----------------------|
| 1) Chairman of the Board of Directors | Baht 50,000 per month |
| 2) Director | Baht 25,000 per month |

b. Board of Directors' Attendance fee

- | | |
|---------------------------------------|-------------------------|
| 1) Chairman of the Board of Directors | Baht 50,000 per meeting |
| 2) Director | Baht 25,000 per meeting |

c. Audit Committee Member's Attendance Fee

- | | |
|------------------------------------|-------------------------|
| 1) Chairman of the Audit Committee | Baht 60,000 per meeting |
| 2) Audit Committee Member | Baht 30,000 per meeting |

d. Risk Management Committee Member's Attendance Fee

- | | |
|--|-------------------------|
| 1) Chairman of the Risk Management Committee | Baht 40,000 per meeting |
| 2) Risk Management Committee Member | Baht 20,000 per meeting |

e. Nomination and Remuneration Committee Member's Attendance Fee

- | | |
|--|-------------------------|
| 1) Chairman of the Nomination and Remuneration Committee | Baht 40,000 per meeting |
| 2) Nomination and Remuneration Committee Member | Baht 20,000 per meeting |

The below table shows the remuneration details of our Directors for the year 2013 and 2014.

ชื่อกรรมการ	Position	2013		2014	
		Remuneration	Meeting Allowance	Remuneration	Meeting Allowance
1. Mr. Pricha Attavipach	Chairman	1,200,000.00	-	500,000.00	400,000.00
2. Mr. Sirivuthi Siamphakdee	Vice-Chairman	640,000.00	-	250,000.00	300,000.00
3. Mr. Parphan Siriviriyakul	Director	660,000.00	-	250,000.00	300,000.00
4. Mr. Nathapun Siriviriyakul	Director	660,000.00	-	250,000.00	300,000.00
5. Mrs. Darat Vibhatakalasa	Director	640,000.00	-	250,000.00	235,000.00
6. Mr. Prasert Siriviriyakul	Director	620,000.00	-	250,000.00	280,000.00
7. Ms. Siraarpa Siriviriyakul	Director	600,000.00	-	250,000.00	200,000.00
8. Mr. Apichart Noochprayoon	Director	600,000.00	-	250,000.00	200,000.00
9. Mr. Shunsuke Tsujiyama	Director	-	-	175,000.00	100,000.00
10. Ms. Chua Eng Eng	Director	600,000.00	-	250,000.00	175,000.00
11. Mr. Sathaporn Kotheeranurak	Independent Director	840,000.00	-	250,000.00	410,000.00

ชื่อบุคคล	Position	2013		2014	
		Remuneration	Meeting Allowance	Remuneration	Meeting Allowance
12. Mr. T-rayooth Changpetch	Independent Director	990,000.00	-	250,000.00	610,000.00
13. Mr. Issakan Krivitthaya	Independent Director	660,000.00	-	250,000.00	380,000.00
14. Asst.Prof.Dr. Phoosak Boonsalee	Independent Director	640,000.00	-	250,000.00	260,000.00
15. Mr. Krairit Nilkuha	Director	-	-	250,000.00	460,000.00
Total		9,350,000.00	-	3,925,000.00	4,610,000.00

- *Remark**
1. In 2014, Number of directors adjusted from 21 to 15, Mr. Montree Lekvichittada , Mrs. Voraya Siriviriyakul , Mr. Supoj Wangpreedalertkul , Mrs. Sauwanee Thairungroj, Mrs. Sirirak Siriviriyakul resigned from the Board as at February 26, 2014
 2. Mr. Sompong Wanapha resigned from the Board as at February 26, 2014, Mr. Krairit Nilkuha was appointed in place of Mr. Sompong Wanapha.
 3. Mr. Boonchai Noochprayoon resigned from the Board as at April 30, 2014 , Mr. Shunsuke Tsujiyama was appointed in place of Mr. Boonchai Noochprayoon.

2. Remuneration of the Executives

The table below represents the remuneration details of our Executives in 2013 and 2014.

Type of Remuneration	Number of Executives	2013	2014
Salary ¹	6	20,996,715.00	23,367,203.00
Bonus	6	2,574,906.00	9,574,974.00
Total	6	23,571,621.00	32,942,177.00

Remark: ¹ The salary of the Chief Executive Officer – KTIS Group was included.

3. Other Remuneration

There are no other forms of remuneration.

• Supervising the use of Internal Information

We have implemented the following policy prohibiting Directors and Executives from using internal, non-public information for personal benefit and for securities trading:

- (1) We have informed our Directors, Executives and employees holding managerial positions, including their equivalent or higher in the accounting and finance departments, of their obligation to prepare and submit reports containing information on securities in their possession, including securities in the possession of their spouse and children, to the Office of the SEC pursuant to Section 59 of the Securities Act. They have also been informed of the corresponding penalties set out in Section 275 of the Securities Act.

- (2) Our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments, are to prepare and submit reports containing information on securities in their possession, including securities in the possession of their spouse and child, to the Company Secretary. The report shall be prepared and submitted within thirty days of the date of appointment of the Director or Executive. Any change in possession of securities is to be reported within three working days from the date of the purchase, sale, transfer or receipt of securities.
- (3) We require our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments and relevant operators who have access to internal information which may materially affect our share price, to abstain from trading in our securities for a specified period before our financial statements or our status our financial condition is disclosed, or until such information has been disclosed to the public. We will issue a notification in writing to our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments, at least thirty days prior to the disclosure of such information to the public. Such material information shall also not be disclosed to any third party.

Should there be a breach of the abovementioned rules, the disciplinary sanctions imposed may vary from a written reprimand to wage reduction, suspension of work or termination of employment. The severity of the sanction imposed shall be determined based on whether the breach was intentional and the severity of the misconduct.

● Personnel and Remuneration

The Company has a total of 2,930 employees and the remuneration expenses in 2014 amounted to Baht 866,616,486.57 which included expenses such as salary, overtime expenses, allowance, special bonus, special financial assistance, contribution to the Social Security Fund and contribution to the provident fund.

Company	2014				
	Service No. of Employee	Management No. of Employee	Head Office No. of Employee	Total	Total 2014 Personnel Expenses
Kaset Thai International Sugar Corporation Pcl.	1,278	47	68	1,393	423,551,210.11
Ekarat Pattana Co., Ltd.	119	7	17	143	54,445,893.61
Environment Pulp and Paper Co., Ltd.	460	11	25	496	113,994,194.36
Kaset Thai Bio Fertilizer Co., Ltd.	4	2	1	7	1,226,509.94
Kaset Thai Bio Power Co., Ltd.	72	-	4	76	18,774,827.89
Permsinpattana Co., Ltd.	-	-	-	-	-
Ruampol Bio Power Co., Ltd.	23	-	1	24	4,054,403.24
Sapsirikaset Co., Ltd.	-	-	-	-	-
Thaiekaluck Power Co.,Ltd	-	-	2	2	339,191.00
Thai Identity Sugar Factory Co., Ltd.	754	13	22	789	250,230,256.42
Lopburi International Sugar Co., Ltd.	-	-	-	-	-
Lopburi Biopower Co., Ltd.	-	-	-	-	-
Lopburi Bioethanol Co., Ltd.	-	-	-	-	-

Company	2014				
	Service No. of Employee	Management No. of Employee	Head Office No. of Employee	Total	Total 2014 Personnel Expenses
KTIS Biogas Power Co., Ltd.	-	-	-	-	-
KTIS Bio Energy Co., Ltd.	-	-	-	-	-
Total	2,710	80	140	2,930	866,616,486.57

Remark Only permanent employees of KTIS group, exclusive of term-specific contractual staff.

None of the Company's employees is a union member. The Company believes that our employer-employee relationship is healthy and strong.

The Company has fully complied with applicable labor laws. In the past 3 accounting years, the Company never experienced any material labor dispute or strike. Presently, no pending or emerging labor dispute has come to Company's knowledge.

• People Development Policy

Recognizing that people development is a key foundation for business success, the Company has consistently attached importance to development and training programs for employees through in-house and external courses to strengthen managerial effectiveness, service excellence, professional and technical expertise, teamwork and operational excellence. On-the-job training program has also been initiated to promote career growth of employees as well as to encourage them to fully utilize their skills and knowledge and optimize operational efficiency of the organization.

The Company's 2014 training and development plan evolved around the ISO 9001:2008 standard and was comprehensively designed for personnel in office function, factories, plantation fields and support units to promote continuous development and learning. In-house technical training courses related to mechanical engineering, electrical engineering, manufacturing and maintenance, and technologies related to sugar and bio power businesses were also provided for engineers in the Company.

The Company, in collaboration with our suppliers, arranged training programs for technicians and control supervisors to promote their technical knowledge and skills beneficial for the effective utilization of machinery, equipment, tools and lubricants, and machinery maintenance. Overseas field trips and plant visits were also incorporated in our people development plan to promote learning and the application of knowledge and experience gained to the improvement of the Company's hardware capabilities and management.

The Company has encouraged employees to build and develop machinery which is specifically suitable for our plants' conditions and requirements based on good engineering standards and principles. For operational effectiveness, we aim to foster technical knowledge and abilities of employees to ensure that each plant has the capabilities and resources to undertake machinery maintenance and repair which are important to our production, especially during the harvest season when the canes are trucked in to our plants 24 hours daily until early April, because interruption of the production line during such high season will have detrimental effects on cane farmers, truck drivers and our productivity. Therefore, the Company has undertaken actions to equip each plant with the ability to solve basic technical issues to some extent, to reduce the dependence on external and overseas suppliers.

In addition to the standard development program for cane sourcing personnel, the Company has also focused on research projects concerning cane breeding, soil development, biological pest control, fertilizer application analysis for productivity improvement, use of cane leaves and tops as alternative feedstock, and alternative energy crops. Experimental works have been conducted at our sugar factories and other plants in the Company. Employees of the sourcing teams have been provided with training in this regard and have formed study groups to translate knowledge and lessons learned into tangible results and practices that can effectively help farmers. The Company has also engaged specialists from Australia with strong expertise in cane farming and agricultural equipment in operation, training and consultation processes to improve cane farming and plantation management, from soil preparation, breed selection, watering and fertilizing, pest control, tool selection and use and cultivation and harvest planning based on conditions and factors specific to Thailand. The Company has engaged governmental organizations and universities having expertise in relevant subject matters in our training and research programs to ensure that they are solidly supported by academic principles and theories.

Our people development plan also encompasses initiatives which contribute to the improvement of light and heavy equipment and farm devices to offer better convenience, reduce costs and solve labor shortage issues. Concurrently, we have promoted employees' involvement in several processes by, for example, soliciting ideas for drought management were solicited from employees and this have led to several beneficial and practical solutions such as on-farm ponds, low-cost drip irrigation system, mobile irrigation system, use of water from the Company's plants and effective time-based watering techniques. For the sustainable future of cane farmers, the Company has launched the farmer workshop project to disseminate farming knowledge and techniques to our employees, cane farmers and their families and interested persons as a means to promote effective farming and their prosperous growth.

The Company has continuously developed employees at management and supervisory levels through job rotations in the Company and monthly meetings to share perspectives on businesses of companies in the Company and align their goals and business plans which eventually culminate in the Company's success. Overseas and domestic field trip program is a vehicle to introduce participants to new business ideas and technologies which can be applied to our businesses. Succession planning has also been implemented as it is the Company's policy that successors to executives at all levels must be identified and developed to achieve the continuity of our business and create opportunities for employees to grow with the company.

Corporate Governance Policy

The Company endeavors to manage its business by adhering to principles of good corporate governance, as it recognizes the benefit and importance of good corporate governance, which contributes to the management of work and business operations in a transparent manner and takes into consideration the best interests of the interested parties in all respects, as well as maintaining verifiability. In order to increase its competitiveness and the shareholders' equity in the long term, the Company has, therefore, established a corporate governance policy in writing, the details of which are set out below.

Rights of the Shareholders

(1) Corporate governance policy with respect to the rights of the shareholders

The Company has established its corporate governance policy with respect to overseeing the rights of the shareholders in writing, whereby it places particular emphasis on ensuring that all shareholders have equal access to the Company's operating results, and that they take part in making various important decisions, as well as ascertaining that the shareholders' rights are protected, promoted and supported, and that the shareholders are not deprived of their rights. The Company's Corporate Governance Policy is as follows:

(a) The Company has the duty to protect and respect the basic rights of the shareholders, which include the right to purchase, sell or transfer shares, the right to be allocated profits derived from business operations, the right to adequately receive news and information with respect to the business, the right to attend the shareholders' meeting in order to appoint or to remove directors from office, to appoint the Auditor, to allocate dividends, to determine or to make amendments to the Articles of Association or Memorandum of Association, to reduce or increase the capital, and to approve special transactions, etc.

(b) The Company has a duty to promote and encourage the shareholders to exercise their rights with respect to various matters in the annual general meeting of shareholders, such as the right to propose agenda items to be included in the shareholders' meetings in advance, the right to nominate persons for election as directors in advance, the right to send questions to the meeting prior to the shareholders' meeting, and the right to express their opinions and to raise questions in the shareholders' meeting, etc.

(c) The Company has a duty to refrain from undertaking any acts deemed to be a violation or limitation or deprivation of the rights of the shareholders to review the information which the Company is required to disclose in compliance with the various requirements and the right to attend the shareholders' meeting; for example, additional documents containing material information shall not be presented unannounced and meeting agenda items shall not be added or material information shall not be changed without prior notice being given to the shareholders.

(d) The Company has a duty to facilitate the shareholders in exercising their rights, such as by providing updated material information via the Company website.

(2) Disclosure of Information regarding the Shareholders' Meeting

(a) The Company's policy is to inform the shareholders of information regarding the date, time, location and agenda items for the shareholders' meetings, as well as all information relevant to the matters which will be voted

on at the shareholders' meeting in advance, whereby the timeframe shall, as a minimum, be in compliance with that prescribed by the law with respect to each shareholders' meeting. The Company shall give the shareholders the opportunity to review the information prior to the date of the shareholders' meeting by accessing the said information through the Company website. This is to allow the shareholders sufficient time to study the information relevant to the meeting prior to receiving documentary information from the Company.

(b) After the Shareholders' Meetings, the Company will compile the matters discussed thereat, comprising the details of the agenda items, meeting resolutions, and the voting procedure, as well as the questions and opinions of the shareholders, and incorporate them in the "Minutes to the Shareholders' Meeting". These meeting minutes shall then be published on the Company website within 14 days from the date of the meeting, which is in accordance with the rules prescribed by the Securities and Exchange Committee and the Stock Exchange of Thailand.

(3) Conducting meetings

(a) The Company's policy is to facilitate, to the fullest extent possible, the shareholders in exercising their rights to attend and to vote at the shareholders' meeting and will not undertake any acts that would restrict the shareholders' opportunity to attend such meeting.

(b) The Company will notify the shareholders of the rules, regulations and procedures for attending the shareholders' meeting in the invitation to the shareholders' meeting, as well as at the shareholders' meeting. The person chairing the meeting shall notify the shareholders attending the meeting of the rules and regulations for conducting the meeting as well as the voting procedures thereat, and such notification shall be recorded in all minutes of the shareholders' meeting. In addition, the Company may give the shareholders the opportunity to submit questions relevant to the matters to be discussed at the shareholders' meeting prior to the date of the meeting as the Board of Directors deems appropriate.

(c) The Company shall give the shareholders the opportunity to raise questions relevant to the meeting's agenda items or to the Company and to express their opinion, whereby the Chairman of the Board of Directors will ask the meeting regarding the questions or opinions with respect to each agenda item. All questions and comments of the shareholders with respect to the meeting agenda items or to the Company, as well as the clarifications given by the Board of Directors and/or the executives, shall be recorded in all minutes of the shareholders' meeting.

(j) The Company gives importance to and respects the rights of the shareholders to convene the annual general shareholders' meeting and encourages all shareholders to attend such meeting.

Equitable Treatment of Shareholders

The Company recognizes that all shareholders must be treated equally and has established the following important policies:

(1) Proposing additional matters to be discussed at the shareholders' meeting

The Company's policy is to facilitate the minor shareholders in proposing additional meeting agenda items prior to the date of the shareholders' meeting. In this regard, all additional agenda items proposed for discussion at the meeting by the shareholders and consideration thereof shall be in accordance with the regulations prescribed by the Company.

The major shareholders who hold executive positions shall not add additional meeting agenda items without giving advance notice thereof unless in the case of necessity, particularly important agenda items which require the shareholders to take time to study the information before making a decision.

(2) Nomination of candidates for directorship

The Company's policy is to facilitate its minor shareholders in nominating candidates for the position of directors. In this regard, all nominations by the shareholders and consideration thereof shall be in compliance with the regulations prescribed by the Company.

(3) Encouraging shareholders to use the proxy form in the case that they are unable to attend the meeting in person

The Company encourages the shareholders to use the Proxy Form, which allows the shareholders to indicate their vote. At least 1 independent director shall be nominated as their proxy, and the Company will attach the aforementioned Proxy Form to the invitation to the meeting.

(4) Encouraging shareholders to use voting ballots

The Company encourages the use of voting ballots for important meeting agenda items, such as the entering into connected transactions, acquisition or disposal of material assets, etc. in order to maintain transparency and verifiability in the event of disagreements at a later date.

(5) Giving shareholders the opportunity to exercise the right to appoint individual directors

The Company encourages the shareholders to exercise their right to appoint directors on an individual basis.

(6) Preventive measures against the use of inside information to seek unlawful benefits

The Company has established measures in its Code of Conduct to prevent its directors, executives and employees from unlawfully using inside information for their own benefit or that of others, for securities trading, conflicts of interest, and confidentiality. Such measures are stipulated in the Code of Conduct, organized in the form of training, and are disclosed on the Company website. Furthermore, the Corporate Secretary has also been assigned as the person responsible for conveying the regulations with respect to the disclosure of information and monitoring and ensuring that the Board of Directors and the executives report their securities holding in compliance with the law, including disclosing information regarding the interests of, and related transactions between, the directors and executives and requiring that all directors and executives who have the duty to report their interests, as provided by the law, notify the Company thereof.

The Role of Interested parties

(1) Corporate governance policy regarding interested parties

The Company recognizes and gives importance to the rights of all groups of interested parties and not only those which it is required to take into consideration in compliance with the law. In the previous year, the Company re-identified groups deemed as interested parties and established additional policies and measures for acting in the interests of the interested parties in line with its Corporate Governance Policy and Corporate Social Responsibility Policy, both of which have been adhered to. The interested parties of the Company can be categorized into 9 groups as follows:

1. Employees and their families
2. Farmers
3. Customers and creditors
4. Shareholders or investors
5. Communities local to each Company place of business
6. Governmental organizations
7. Suppliers and Contractors

8. Academics
9. Educational institutions

In this regard, the Company has established policies and measures for acting in the interests of the interested parties as follows:

1. Employees and their families

- 1) The Company will compensate the employees based on the consideration of their work in a fair manner and in a way that is quantifiable under the regulations of the Company.

- 2) The Company aims to continuously promote and develop the knowledge and abilities of its personnel, such as by means of organizing training sessions and seminars for its executives and employees.

- 3) The Company treats all of its employees fairly and equally, for example, with respect to employee evaluations, confidentiality regarding employment history and the exercise of the various rights of the employees.

- 4) The Company places emphasis on the rights of its employees and gives them the opportunity to file complaints in the event that they do not receive equitable treatment by means of various channels such as a comments box, or contacting the human resources department responsible for such matters.

- 5) The Company has a duty to ensure that the employment environment is safe, healthy, and effectively facilitates work.

2. Farmers

- 1) The Company has a duty to build good relations and encourage cooperation with farmers in the long term based on the principles of honesty, reliability and mutual trust.

- 2) The Company supports the establishment of security with respect to the farming profession by acting in the interests of and giving importance to the farmers who are also contractual parties.

- 3) The Company continuously encourages farmers who are contractual parties to develop knowledge regarding farming by means of, for example, organizing an agricultural school training program, so that the farmers can apply the knowledge obtained therein to their profession in order to increase the efficiency of the product with a view to generating high returns from farming.

3. Customers and Creditors

- 3.1 Customer Relations Policy

- 1) The Company has a duty to maintain good relations and to cooperate with customers in the long term, based on the principles of honesty, reliability and mutual trust.

- 2) The Company has a duty to satisfy its customers to the extent possible by means of taking responsibility for, acting in the interests of and considering the issues and needs of the customers as its priority, whereby all executives and employees shall comply with the measures pursuant to this policy.

- 3) The Company will perform work based on the principles of Ethics and will not solicit, receive or pay dishonest benefits to the customers and creditors.

- The Company is committed to presenting and delivering products and services of high standard which meet the needs of the customers;
- The Company strives to adhere to the various conditions as agreed upon with the customers to the best of its abilities.

3.2 Creditor Relations Policy

1) The Company has a duty to establish good relations with its creditors and to treat them based on the principles of honesty, reliability and mutual trust.

2) The Company has a duty to be responsible for, pay attention, and give importance to the various conditions as agreed upon with its creditors to the best of its abilities.

4. Shareholders or Investors

See Section 1. Rights of the Shareholders

5. Communities local to each Company place of business

1) The Company and its employees are committed to behaving and conducting themselves as good citizens and in ways that benefit society and the community.

2) The Company has a duty to treat the communities local to each Company place of business amicably and to give assistance to and promote the livelihood of the communities, as well as to be responsible for remedying any situation arising as a consequence of the Company's business operations, in a fair and equitable manner.

3) The Company has a duty to oversee and support activities which are beneficial to society and to willingly cooperate with governmental and non-governmental organizations and to make sacrifices for the better good.

6. Governmental Organizations

1) The Company has a duty to act in compliance with all applicable and prescribed laws and rules.

2) The Company will promote the various activities of governmental organizations as is deemed appropriate.

7. Supplier and Contractor

1) The Company has a duty to maintain good relations with all suppliers and contractors.

2) The Company has a duty to give all suppliers and contractors an equal opportunity to present their products/services, whereby the executives and employees related to the suppliers and contractors shall comply with the following measures. All executives and employees shall:

- Treat the suppliers and contractors honestly and equitably;
- All considerations and decisions shall be based on the comparison of quality and various conditions, while at the same time taking into account the interests of the Company, both in the short and long term, and the Procurement Manual must be strictly complied with.

8. Academics

1) The Company gives academics the opportunity to learn the information, methods and work procedures of the Company, as well as the opportunity to exchange knowledge for academic purposes and for conducting various research studies which are beneficial to the Company.

2) The Company encourages the participation in studies in the use of technology for improving various work procedures, as well as studies for the purpose of developing innovations which would be beneficial to the development of the Company.

9. Educational Institutions

1) The Company will promote knowledge-sharing regarding technology and the manufacturing process at educational institutions, whereby it will place particular emphasis on schools and educational institutions in communities local to each Company place of business as a priority.

2) The Company will promote the various activities of the educational institutions as is deemed appropriate.

(2) Measures for compensating interested parties in the event of damage arising from wrongful acts

(a) Preventive measures against the use of inside information by the directors, executives and employees

The Company has established measures relating to the use of inside information which its directors, executives, and employees must comply with as follows:

1) The Corporate Secretary has the duty to inform the directors and executives to report their securities holding, and that of their spouses, as well as their children who are minors in the Company, and to report any changes thereto pursuant to Section 59 and the terms of punishment pursuant to Section 275 of the Securities and Exchange Act B.E. 2535.

2) The Company will advise its directors, executives and employees who are in possession of inside information against the disclosure of material information prior to the sale and purchase of Company shares, including the Company's financial statement, which will have an impact on the price of securities to be offered to the public. That is to say, one month prior to the public disclosure, as failure to do so would be deemed a violation of the Securities and Exchange Act.

(b) Preventive Measures against Conflicts of Interest of Executives and Employees

The Company has established measures to prevent its directors and executives from unlawfully using inside information for their own benefit or that of others in the Code of Conduct for its executives and employees as follows:

1) Executives and employees shall not undertake acts with a view to either seeking benefits or misappropriating assets which are the property of the Company or of the customers of the Company, as their own or for others, which are deemed to be in conflict with the interests of the Company.

2) Executives and employees should avoid situations or personal activities and gaining financial benefits which may be in conflict with the work duties by which they are bound and which have an impact on the protection of the Company's interests.

3) The Company will avoid delegating duties and responsibilities to the executives and employees in the event that such acts may lead to situations that may be in conflict with the interests of the Company or that of the Company's customers.

4) In the event that the executives and employees participate in external activities or hold external positions, such as that of directors, advisors, representatives, or employees in other organizations, the said activities or positions shall not be in conflict with the interests of the Company, whether directly or indirectly, and shall not cause the Company to suffer any damage, and shall not have any impact on the performance of their work duties.

5) All executives and employees are prohibited from participating or holding positions in other organizations operating the same type of business as that operated by the Company or those deemed to be the Company's competitors, or those whose business may be in conflict with the interests of the Company.

In this regard, the Company shall be given a report on the interests regarding the entering into transactions with companies belonging to the directors, executives and employees on a regular basis. The Company's Internal Auditor has a duty to report information regarding various interests to the Audit Committee for its acknowledgment and consideration. The Audit Committee will then give the Board of Directors a report on the summary of information on various interests for its further acknowledgment and consideration, whereby the Internal Auditor will be responsible for monitoring the results on a regular basis.

Furthermore, the Company has established measures for compensating the interested parties in the event that they suffer damage as a consequence of the following violations:

- 1) Preventive measures against damage arising from violations against employees and their families

The Company has established locations for receiving complaints and/or suggestions from employees as channels for employees who have been affected by the work operations to file complaints.

- 2) Preventive measures against damage arising from violations against customers and creditors

The Company deals with customers in compliance with its customer relations policy and has established a customer service department as a center for receiving customer complaints in the event that customers encounter issues or require assistance.

In order to prevent against any damage arising from violations against the debtors and creditors, the Executives will consider the qualifications of all debtors and creditors prior to entering into transactions with a view to avoiding future problems, and in doing so, base their consideration on the principles of honesty and reliability.

- 3) Preventive measures against damage arising from violations against shareholders

The Company undertakes steps to protect and oversee the basic rights of the shareholders, including the right to receive information, the right to attend shareholders' meetings, as well as to encourage the shareholders to exercise their rights beyond the provisions of law.

- 4) Preventive measures against damage arising from violations against local to communities of each Company place of business

The Company has established measures to prevent damage arising from violations against the communities local to each of the Company place of business in line with its Corporate Social Responsibility Policy by building good relationships with the surrounding communities as well as giving them assistance and support with a view to promoting their livelihoods.

- 5) Preventive measures against damage arising from violations against government organizations

The Company has established measures to prevent damage arising from non-compliance with the various applicable laws and regulations, whereby the Company's legal department will be responsible for monitoring the work performance of the departments of the Company on a regular basis in order to ensure their compliance with the law.

- 6) Preventive measures against damage arising from violations against suppliers and contractors

The Company has established measures for preventing damage arising from violations against the suppliers and contractors, whereby the Company has a policy to build good relations with all of its suppliers and contractors and, furthermore, treats all suppliers and contractors equitably.

7) Preventive measures against damage arising from violations against academics

The Company gives academics the opportunity to visit and observe the work process for providing services and also provides information on the methods and procedures pertaining to the provision of services for academic purposes. It also cooperates with the academics in studying and improving technologies to be used for providing services on a regular basis.

8) Preventive measures against damage arising from violations against educational institutions

The Company cooperates with educational institutions by giving them the opportunity to visit its places of operation on-site and by organizing seminars to share technological knowledge and details relating to its service process. The Company also gives the educational institutions financial support for various activities on a regular basis.

(3) Participation channels of interested parties

The Company has established numerous participation channels for interested parties as follows:

(1) The Company has established a channel for receiving complaints and/or opinions and an additional channel via email, which will be sent to the Executives via the Internal Audit Department, Tel. 02-692-0869-73 Ext. 169 E-mail: internalaudit@ktisgroup.com

(2) The Company gives its employees the opportunity to submit suggestions to the Board of Directors via the Company website under the Investor Relations section via the Investor Relations Department, Tel. 02-692-0869-73 Ext. 197 E-mail: ir@ktisgroup.com

(3) The Company has taken steps to ensure that its representatives visit the communities in the areas neighboring the factories every year.

(4) Mechanisms for protecting Whistle-Blowers

(1) The Company has established channels for filing reports or complaints regarding violations of the law or of the Code of Conduct, Financial Reports or deficiencies in the internal control system.

(2) The Company has established measures for protecting Whistle-blowers, whereby their identities shall not be disclosed and shall be kept strictly confidential.

(3) The Company has put in place procedures to be followed upon receiving reports from Whistle-Blowers, whereby the Internal Audit will first compile and summarize the issues and present them to the Internal Audit Committee for consideration and investigation of facts and evidence. If it is found that such information impacts on the Company, the issue shall then be proposed to the Board of Directors of the Company for further consideration.

Disclosure of Information and Transparency

The Company has a policy to disclose information regarding the Company, including financial information and other information, in an accurate, complete, timely, and transparent manner, via easily-accessible channels, and in a fair and reliable manner.

(1) Internal control and entering into transactions with potential conflicts of interest

The Company's policy is to prevent and eliminate any potential conflicts of interest by prescribing that all transactions with potential conflicts of interest be in compliance with the regulations and steps determined by the Company and all applicable laws.

The Company will undertake acts to ensure that its directors, executives, and/or major shareholders, as the case may be, do not operate businesses that are similar to or in competition with that of the Company, or that decrease the Company's competitiveness, or enter into related transactions whereby the other benefits resulting thereof may be in conflict with the best interests of the Company or its subsidiaries. The directors, executives and/or major shareholders of the Company, as the case may be, shall inform the Company if the directors, executives, and/or major shareholders hold shares in companies whose business operations are similar to those of the Company or its subsidiaries in order for the Company and the Audit Committee to consider whether or not such shareholding is in conflict with the best interests of the Company or its subsidiaries.

The Company also places emphasis on the importance of a good internal control system and has arranged for an Internal Audit Office to audit the performance of work in each field of work so as to prevent errors and to ascertain that work is performed in a transparent manner. Auditing is completed periodically and reports thereof are submitted to the Audit Committee for consideration.

(2) Disclosure of Information

The Company discloses information in compliance with the relevant laws or regulations via the Stock Exchange of Thailand and the Company website under the Section entitled "Information for Investors". The Company has delegated the Investor Relations Department to be responsible for the disclosure of information as well as for regularly updating information, and acting as the representative in communicating information, news and updates on activities to the Company and the investors, analysts, and general public. Please contact the Company's Investor Relations Department if you have any questions.

(3) Disclosure of the Corporate Governance Policy

The Company has disclosed its approved Corporate Governance Policy, as well as the results with respect to compliance with the aforementioned Policy via various channels such as the Annual Report and the Company website.

(4) Report on the responsibilities of the Board of Directors with respect to the Financial Report

The Company requires that there be a report on the responsibilities of the Board of Directors with respect to the financial report, which shall be presented alongside the auditor's report in the annual report. The contents thereof shall verify compliance with accounting principles and the financial report shall consist of accurate, complete and actual information in accordance with accounting standards. The aforementioned reports shall bear the signatures of the Chairman of the Board of Directors and the Managing Director.

(5) Disclosure of the Roles and Duties of the Board of Directors and Subcommittees

The Company has disclosed the roles and duties of the Board of Directors and Subcommittees, the number of meetings held and the number of times each Board member attends meetings in the previous year, as well as the comments in relation to the performance of their duties in the Annual Report.

Responsibilities of the Board of Directors of the Company

The Company recognizes the importance of selecting directors who demonstrate leadership, are visionaries, and who have experience, knowledge and ability and demonstrate independence in making decisions in the best interests of the Company and the shareholders overall. The Company also recognizes the importance of clearly

separating the roles and duties of the Board of Directors and the Management and overseeing the work system to ensure that its various activities are in compliance with the laws and ethical standards.

The Company has established its corporate governance policy while taking into consideration various factors including the responsibilities of the directors, whereby the important policies relevant to this matter are as follows:

(1) Structure of the Board of Directors

(a) The Company values transparency and verifiability in its work operations, and, therefore, the Chairman of the Board of Directors is not the person holding the position of the Chief Executive Officer or the President. The Board of Directors of the Company has, furthermore, approved the definition of the independent director in line with the criteria and definitions prescribed by the Securities and Exchange Committee.

(b) The Company has prescribed formal procedures for selecting directors, and in doing so, it adheres to principles of transparency and is free of influences by the Management or shareholders with authority. That is to say, the Nomination and Remuneration Committee shall be responsible for recruiting persons to hold directorship positions and shall consider and select appropriate candidates based on their educational background, ability, work experience etc., whereby such persons shall also be qualified and shall not possess the prohibited characteristics as prescribed by the law. Candidates shall be selected in line with the duties and responsibilities of the position of a director of the Company and/or a director who is a member of various subcommittees. Upon having selected the appropriate candidates for directorship, the names of the said candidates shall be proposed to the Board of Directors for further consideration and appointment as directors.

(c) The Company requires that the names of the members of the Board of Directors and Subcommittees be disclosed, whereby details relating to each director's name, position, age, educational background, shareholding proportion and relationship with the executives are disclosed via various channels, including the Annual Report and the Company website.

(d) The directors of the Company shall hold their positions for a term of three years. Any retiring director may be re-appointed by the meeting of shareholders.

(e) The Board of Directors of the Company shall consist of a minimum of three independent directors, being an aggregate of not less than one-third of the total number of directors. The independent directors of the Company shall be qualified and shall not have the prohibited characteristics determined by the Board of Directors, and such requirements shall not be less stringent than those prescribed by the Capital Market Supervisory Board and the Stock Exchange of Thailand.

(f) The Company will appoint a Corporate Secretary to perform the various duties prescribed by the law as well as those delegated by the Board of Directors of the Company.

(2) Leadership and Vision

(a) The Board of Directors shall demonstrate leadership, and shall be visionary and independent in making decisions in the best interests of the Company and the shareholders overall. The Company has, therefore, clearly separated the roles and duties of the Board of Directors and those of the Management, whereby the Management shall be responsible for obtaining various information required for consideration while the Board of Directors shall have the duty to make decisions on such matters accordingly.

(b) The Company hopes that its business will be stable and successful in the long term, and has therefore coordinated with the Management to consider, review and establish a vision and mission that corresponds to the changing environment, as well as the targets in the Business Plan and Financial Statement, while taking into consideration the maximum increase in economic value and long-term stability of the Company and its shareholders.

The Board of Directors shall also have the duty to oversee and monitor the administration of the Management to ensure that they are in line with the Business Plan in an efficient and effective manner.

(c) The Board of Directors of the Company encourages corporate governance practices within the organization. The Board of Directors are, therefore, leaders in establishing guidelines for good corporate governance, the Code of Conduct, measures and steps for approving related transactions with related companies or persons with potential conflicts of interest, and in clearly separating the scope of authority of the shareholders from that of the Board of Directors and the scope of authority of the Board of Directors from that of the Executives, and the various Subcommittees, so as to create a balance of power and ensure mutual verifiability in an independent manner.

(3) Conflicts of Interest

(a) The Company will consider related transactions which may cause potential conflicts of interest between the shareholders, directors and the Management with due care, honesty, reason and independence within the framework of good ethics. The Company will also fully disclose all information while considering the overall best interests of the Company as a priority and will strictly comply with the rules and procedures provided in the notifications, orders or regulations of the Stock Exchange of Thailand. The Audit Committee will give its opinion as is necessary and appropriate given that particular related transaction.

(b) The Company has established measures and steps for approving related transactions with related companies or persons who have potential conflicts of interest, whereby persons with direct and indirect conflicts of interest shall be prohibited from considering the approval of the said transactions, and the Audit Committee shall participate in considering and giving its opinion as is necessary and appropriate for the best interest of the Company. Information pertaining to the related transactions shall be disclosed in the remarks to the financial statement in line with generally accepted accounting standards in the Annual Report.

(4) Business Ethics

(a) The Company has established a Code of Conduct for use by all executives and employees as a guideline for performing their work, and to which they shall adhere strictly and at all times. The said Code of Conduct includes issues regarding honest business practices, fair and equitable treatment of interested parties, prevention of wrongful acts against interested parties, conflicts of interest, confidentiality, and misuse of information, as well as bribery, gifts, and rewards. The Company has assigned the Internal Audit Department to monitor and conduct investigations in relation to compliance with such Code of Conduct.

(b) The Company will monitor and oversee its business operations and the performance of work duties by the directors, Management, and employees, and adhere to the principles of virtue and ethics in addition to the rules and regulations of the Company and applicable laws.

(c) The Company's policy requires that its directors, executives and employees avoid or refrain from selling and purchasing securities of the Company within a period of one month prior to the disclosure of material information to the general public which may have an impact on the price of the securities of the Company, such as financial information.

(5) Joining or separating positions to create a balance of power with respect to work management

(a) The Company has clearly defined and separated the scope of authority and responsibilities of the Board of Directors, the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, as well as the Chief Executive Officer. The Company also requires that Chairman of the

Board of Directors is not the person holding the position of the Chief Executive Officer or the President and that he/she has is not related to the Management in order to prevent an executive from having unlimited power and to be able to audit and establish a balance for work management.

(6) Subcommittees

The Board of Directors of the Company has arranged for the appointment of Subcommittees to assist the Board of Directors in studying relevant details and monitoring and overseeing the performance of work, as well as to screen the matters to which they have been assigned. The scope of authority and responsibilities of the said Subcommittees have been clearly defined.

(7) Roles, Duties and Responsibilities of the Board of Directors of KTIS Group

(a) The Board of Directors has a duty to consider and approve material issues with respect to the operation of the business, as well as to oversee that the Management operates the business in line with the prescribed policies and plans, including the budget, in an efficient and effective manner.

(b) With respect to the Board of Directors having established a Corporate Governance Policy in writing and given its approval thereof as previously mentioned; the Board of Directors revises the said Corporate Governance Policy at least once a year.

(c) The Board of Directors has issued a Code of Conduct in writing and distributed the same to the directors, executives and new employees. The Board of Directors has, furthermore, revised the various guidelines for conduct with respect to the directors, executives and existing employees in order to understand the moral standards which the Company applies in operating its business, whereby the Board of Directors of KTIS group has assigned the Internal Audit Department to closely monitor compliance with the said Code of Conduct.

(d) The Board of Directors has exercised due prudence in considering conflicts of interest, as well as connected transactions with potential conflicts of interest with those of the Company whereby the interests of the shareholders are deemed as the priority.

(e) The Board of Directors has put in place a system for controlling financial reporting and compliance with the various rules and regulations, whereby an Internal Audit agency shall be responsible for such duties. The said duties must be independent of the performance of other work and such system shall be revised at least once per year.

(f) The Board of Directors and the Audit Committee have a duty to jointly consider the annual and quarterly financial statements and financial information in the Annual Report and to jointly evaluate the adequacy of the internal control system of the Company for disclosure to the investors.

(g) The Board of Directors and the Risk Management Committee have a duty to jointly consider and determine the Risk Management Policy to be applied throughout the organization, whereby the Management has been assigned to oversee compliance with the said policy and to report relevant issues to the Board of Directors and/or Risk Management Committee on a regular basis. The Board of Directors will ensure that the system is reviewed or that the effectiveness of the risk management is evaluated at least once per year and in the event that there are changes to the risk level, and will also give importance to early warning signs and unusual transactions.

(8) Board of Directors' Meeting

(a) The Board of Directors will convene a Board of Directors' Meeting at least four times per year and such meetings shall be conducted in accordance with the Company's Articles of Association, the Public Limited

Companies Act B.E. 2535, and the rules and regulations prescribed by the Stock Exchange of Thailand. The Chairman of the Board of Directors, in acting as the Chairman of the Meeting, will encourage the exercise of discretion in a prudent manner and will allow sufficient time for the Executives to propose matters for consideration, as well as for the directors to carefully discuss the material issues. The Chairman will also arrange for the minutes of each meeting to be recorded in order to ensure verifiability by the directors and relevant persons. The directors have a duty to attend all Board of Directors' Meetings unless in the case of special circumstances.

(b) The Company requires that the Management prepare and submit a report on the operating results to the Board of Directors for acknowledgment on a regular basis in order for the Board of Directors to be able to continuously and promptly supervise, control and oversee the performance of work by the Management.

(c) The Chairman of the Board of Directors shall convene the Board of Directors' Meeting and shall consider and determine the meeting agenda items, whereby he/she may consult with the Managing Director, Corporate Secretary or Company Advisor in doing so. Each director has the right to propose matters to be included in the agenda of the Board of Directors' Meeting.

(d) The Board of Directors may invite the Executives, employees, or Advisor(s) of the Company to attend the Board of Directors' Meeting to give additional information on the matters discussed thereat.

(e) The secretary of the Board of Directors shall, prior to the date of the Board of Directors' Meeting in the following year, prepare a schedule for the meetings for the coming year in order for the Board of Directors to be informed thereof in advance and so that they can plan ahead and allocate time for attending the said meetings accordingly.

(f) In determining the number of Board of Directors' Meetings, consideration shall be given to their appropriateness based on the duties and responsibilities of the Board of Directors. The Corporate Secretary will prepare an agenda for the annual general meeting specifying the matters to be considered at each meeting so that the Board of Directors is informed of the various details to be considered thereat in advance.

(g) In convening each Board of Directors' Meeting, the Corporate Secretary will send the meeting documents to the directors for consideration in advance as well as supporting documents and information.

(h) All Board of Directors' Meetings shall be strictly in compliance with the Company's Articles of Association and the Public Limited Companies Act B.E. 2535. All directors shall be given equal opportunity to discuss the material issues and the Secretary of the Board of Directors shall attend the meetings and record the minutes thereof including the various questions and suggestions of the directors to ensure that the matters discussed can be monitored and verified by the directors and relevant persons.

(i) The Chairman of the Board of Directors shall be responsible for allocating adequate time for presenting the information provided by the Management and for all of the directors to discuss the material issues with due prudence. The Chairman of the Board of Directors shall encourage the directors attending the meeting to exercise their discretion in a prudent manner and ask the meeting whether or not there are any further questions or disparate opinions with respect to each agenda item being considered.

(g) The Board of Directors' policy requires that the directors who are not Executives meet amongst themselves as necessary in order to discuss the various management issues at hand. Members of the Management shall not attend the said meetings and the Managing Director shall be informed of the meeting results.

(9) Self-Evaluation of the Board of Directors

(a) All directors shall evaluate their own work performance on a regular basis in order for the Board of Directors to jointly consider their accomplishments and address any issues for further rectification, whereby the standards to be applied when comparing the work performance shall be systematic.

(b) The Board of Directors shall evaluate their performance overall and/or with respect to specific issues, and such evaluation shall not specifically target the performance of any director as an individual.

[10] Remuneration of directors and executives

(a) The Board of Directors of the Company shall consider and determine the remuneration of the directors and shall propose the same to the meeting of shareholders for approval. In this regard, in determining the directors' remuneration, the Board of Directors shall compare the standards pertaining to the payment of remuneration in companies in the same industry and shall give consideration thereof based on fair standards. Consideration shall be given to the experience, obligations and duties, scope of the role, as well as accountability and responsibility, including the benefits which the Company would receive from each director. The directors who have been delegated additional duties and responsibilities should receive higher remuneration as appropriate. For example, a director who is a member of the Audit Committee may receive a higher rate of remuneration for his role in the Audit Committee.

(b) The remuneration of the Managing Director and Executives shall be in accordance with the principles and policies determined by the Board of Directors, whereby consideration shall be given to the best interests of the Company. The determination of salaries, bonuses and incentives in the long term shall be in line with the performance of the Company as well as that of each individual executive.

(c) All directors who are not executives shall evaluate the Managing Director on an annual basis in order to determine his remuneration, whereby the consideration thereof shall be based on concrete criteria which have been agreed upon with the Managing Director in advance. The said criteria shall include financial performance/ results, work with respect to acting in line with the strategic objectives in the long run, as well as the professional development of the executives. The said directors who are not executives shall submit the evaluation of the Managing Director to the Board of Directors of the Company for consideration and approval.

[11] Professional Development of Directors and Executives

(a) The Company promotes and facilitates training for professional development and with a view to training all relevant directors, including directors who are members of numerous Subcommittees, so as to continuously improve work operations.

(b) The Corporate Secretary shall arrange for the preparation of a manual for the directors as well as the determination of rules relevant to the disclosure of information, background, securities holding proportion, changes to securities holding etc., which shall be submitted in the event of changes to the directors. The Corporate Secretary will, furthermore, invite the new directors to visit the Company's factory with a view to introducing them to the nature of the business as well as to the guidelines for business operations.

(c) The Company requires that the Chief Executive Officer prepare a report on the plans for the development and succession of work which the Chief Executive Officer and Managing Director have prepared in the event that they are unable to perform such work themselves. The Company has put in place a structure for developing the Executives, whereby the Chief Executive Officer is assigned to give an annual report on the acts undertaken during the year, which will then be considered in conjunction with the plan for work succession.

[12] Corporate Social Responsibility Policy

(a) Fair Business Operations

The Company places emphasis on conducting its business within the framework of fair and honest competition in compliance with the relevant laws and regulations, and has established the following practice guidelines. The Company shall:

- Encourage its employees to recognize the importance of compliance with competition laws and the principles of fair competition;
- Support various public policies which promote fair competition; and
- Undertake acts in a manner which is compliant with competition laws and requirements, as well as cooperate with government officials

(b) Anti-corruption

The Company endeavors to conduct its business in a transparent manner, while adhering to principles of good corporate governance and taking into consideration the interests of the interested parties in all respects. It has established anti-corruption guidelines and also supports activities which promote and encourage the executives and employees to comply with the applicable laws and regulations, whereby the practice guidelines are as follows:

- The Company must instill right practices, values and perspectives within its employees to comply with the rules and regulations in an honest manner;
- The Company shall undertake steps to ensure that its internal control system is efficient, and that the reviewing thereof and the balance of power is appropriate;
- All directors, executives and employees of the Company are prohibited from undertaking any act which is deemed to be soliciting or accepting assets or any other benefits implied as motivation for performing their duties or refraining from the performance thereof in a dishonest manner;
- All directors, executives and employees of the Company are prohibited from undertaking any act which is deemed to be the offering of assets or any other benefits implied as motivation for performing their duties or refraining from the performance thereof in a dishonest manner.

(c) Respecting human rights and fair treatment towards labour

The Company's policy is to supervise and treat all employees fairly, whereby the Company shall not discriminate against individuals on the basis of similarities or differences in race, religion, sex, age or any other characteristics. Furthermore, the Company has a policy to strictly comply with the labour protection laws.

(d) Community or social development

The Company recognizes the importance of taking part in bearing social responsibility and has, therefore, continuously organized projects to help and develop the society, and primarily focuses on donating funds and promoting education.

(e) Environmental conservation

The Company gives importance to the potential impacts of the manufacturing processes on the environment and its policy is to strictly comply with the applicable rules, regulations and standards with respect to the environment. In addition, the Company plans to promote ideas for making use of waste produced during the manufacturing process in order to increase their value.

(f) Innovations and the diffusion of innovations obtained from work operations involving responsibility towards society, the environment and interested parties

The Company aims to support sugar cane farmers with a view to encouraging their progress and stability alongside the Company. The Company has therefore continuously organized research projects for furthering the potential of the sugar cane farmers.

Corporate Social Responsibility

• Corporate Social Responsibility

Throughout its history, The company has operated sugar production business and integrated sugar business based on the good principle of corporate social responsibility.

In 2014, The company continued to give priority to environment-friendly production process as well as the development and improvement of innovations in our work procedure, which increase value for society and meet the needs of every group of our customers in accordance with the “CSR In-Process” model.



From the beginning of the process, which is sugarcane cultivation, The company has disseminate useful knowledge to farmers through mechanisms such as the Farmers School and farmer development plan. In addition, sugarcane farmers have been encouraged to adopt organic farming and eco-friendly approaches such as using anatatus and camérons as natural enemies and avoiding the use of chemical substance in cane farming. Therefore, Sugar of the company is a product of good quality and safe for consumption because it is made of quality, chemical-free raw materials and no bleaching is applied in our sugar production process which meets international standards.

The company practices zero waste management in all processes and optimizes resource utilization by recycling waste and making valuable use of our by-products. Therefore, there is very little waste from our production.

Molasses is one of the by-products from the sugar production process and is used to produce ethanol which is blended into gasoline. Ethanol is an alternative clean energy which leads to Thailand’s lower fuel imports, lesser air pollution and greenhouse gas emission, and higher price of agricultural commodities.

Bagasse is another by-product from the sugar production process and can be used as a material for producing bleached pulp (100% bagasse) which is environmentally friendly and can saves up to 32 million trees from being cut each year. As no chlorine (which causes cancer) is used in the pulp bleaching process to bleach the paper, bagasse pulp of the company is the first pulp factory in Thailand that receives the “GMP” and “HACCP” food safety standards. Our bagasse pulp is therefore a qualified raw material for eco-friendly food containers and can be safely used as a fiber ingredient for foods such as healthy ice cream, healthy sausages, and fiber cookies.

Bagasse can also be used as feedstock in biomass power plant to generate steam and electricity which power our sugar and other factories. Excess electricity is sold to Provincial Electricity Authority (PEA) and Electricity

Generating Authority of Thailand (EGAT). Therefore, our electricity is passed on to the people in the region, helping them to have electricity in their household and for better conditions of life. Besides, bagasse-based electricity is considered clean biomass energy that can help reduce carbon emission.

Filter cake which is a waste from sugar production, sludge from paper pulp production, vinasse from ethanol production and ash from biomass power plants all contain valuable organic matters that can be converted into soil conditioner. Free of toxic residues that cause soil degradation, our soil conditioner can effectively improve the soil quality and thus help reduce the farming costs of Thai farmers while increasing the crop productivity. Vinasse can also be used to produce biogas which is a renewable energy for our ethanol plants.

In addition to in-process CSR, The company is committed to run after-process CSR activities continuously to create sustainable future as well as to gain confidence, acceptance, and trust from communities and society. We aim to achieve the equilibrium among the 3 pillars, i.e. the business, the environment and the community, to foster sustainable growth.

Samples of CSR activities and projects of KTIS

Annual Fresh Sugarcane Fair



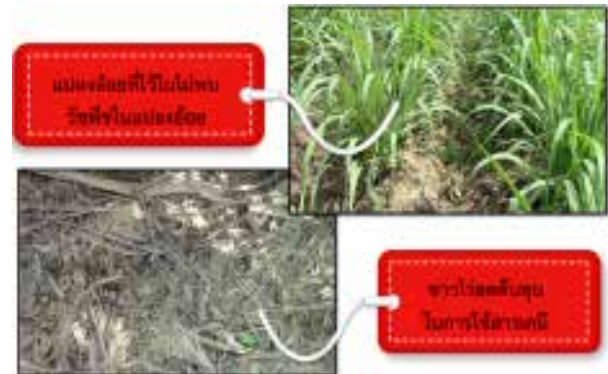
The company has arranged “Fresh Sugarcane Fair” every year to motivate our contracted sugarcane farmers to deliver fresh sugarcane from green cane harvesting, and not burnt cane harvesting to our factories. This will lead to many advantages such as higher sugarcane yield (per ton), less work for machines in manufacturing process, less damage, higher efficiency, and faster delivery of sugarcane to sugar production plant. Each year, around 20,000 contracted farmers participated in our annual “Fresh Sugarcane Fair” which has been arranged for 13 years.



“Fresh Sugarcane Villages”: Fire-Free Green Zone Project

The company, in cooperation with a government agency, has initiated the “Fresh Sugarcane Villages” or Fire-Free Green Zone Project, which has been running for 4 consecutive years to encourage sugarcane farmers to refrain from pre-harvest burning which emits carbon dioxide into the atmosphere. Through this project, sugarcane farmers and harvesting labors learned about the effects of sugarcane burning to the environment and air pollution which is harmful to the health of the community residents. In this first phase, 18 villages have joined the project.

Good Soil Villages” Project



The company has launched the “Good Soil Villages” project in 2014 as a succession of “Fresh Sugarcane Villages” Project, which has established successful results. The purpose is to share knowledge and understanding to sugarcane farmers, encouraging them not to burn the remaining leaves before the maintenance and the plowing of cane stumps because sugarcane leaves are valuable organic materials that can enrich the soil. With good soil, the crop yields will improve and farmers will not need chemical fertilizer or chemical pesticide, hence lower costs.



Annual Demonstration of Modern Cane Farming Tools

The company arranged its “Annual Demonstration of Modern Cane Farming Tools” at The Company Experimental Plot in Nong Pho District of Nakhonsawan province. The purpose is to give knowledge, advices, and demonstration of how to effectively use modern agricultural tools and machines in sugarcane farming, such as planter machine, plowing machine, watering machine, fertilizing machine, and harvester in order to lower the costs and increase the productivity. The 2014 Annual Demonstration of Modern Cane Farming Tools was the 13th year of the project and was attended by more than 1,500 sugarcane farmers.

“Young KTIS Smart Camp” Project



The company organized the “Young KTIS Smart Camp” project to develop our children. We are aware of our social responsibility in fostering new generation of youth that understand the importance of society, environment, and the great love of their own parents. The year 2014 is the 6th year of the project. More than 50 children of employees’ s the company and sugarcane farmers have participated in the project, which was held for 3 days at Sappraiwan Grand Hotel and Resort in Phitsanulok Province. The results were very satisfying. The children had improved their personality, manner, and best of all, their attitude toward life. They became proud of themselves and their families, institutions, and community. They were grateful of their parents. This is the way we build up “good children” for our country.

The company always cares about the well-being of people in the nearby community. Therefore, we have initiated several activities which contribute to the better quality of life such as:



- Mobile medical unit that provide medical examination and give healthcare advices to the people in local communities to promote good health and hygiene of residents.
- School Lunch Project aimed to provide nutritious lunch for students, helping them to grow up healthy and strong, free from sickness and diseases.
- Temple Roofing Project aimed to add stronger roof structure to temples in the community.



- Community Volunteer Project aimed to bring pleasant and clean surroundings to the community.
- Blood donation at the mobile medical unit of Red Cross Branch in Ta-Khlee District, Nakhonsawan, as well as Ta-Khlee Hospital and Regional Blood Center No.8.



- Participation in the cultural traditions of the local community such as paying respects to the elderly by pouring water on their hand in Songkran Festival, donating Lent Candle to a temple on the Buddhist Lent Day, joining the religious “Kathin” ceremony and donated money to temple restoration projects.

For more information about our CSR activities and the sustainability report, please visit our website at www.ktisgroup.com.

Internal Control and Risk Management

• Internal Control

The Company is fully aware that the adequate and appropriate internal control system is vital to effective business management and the protection of the interest of the Company's shareholders, employees and stakeholders. Effective internal control system originates in the adoption of good corporate governance practices, prudent risk management and effective and efficient operations for the achievement of corporate goals.

The Audit Committee has assigned the internal audit team to assess the Company's internal control through the use of the self-assessment which shall be completed by each division head and above of companies in KTIS group. The self-assessment tool has been updated by the SEC based on the 2013 COSO Integrated Framework for Internal Control which addresses 5 components of internal control system: control environment, risk assessment, control activities, information and communication, and monitoring activities.

The Audit Committee has concluded that the Company's internal control is satisfactory as the Company has sufficient human resources for effective implementation of the internal control system. In addition, monitoring and control of the subsidiaries have been conducted to prevent against the abusive and unauthorized use of assets and properties of the Company and its subsidiaries by directors or executives. Whistle blower program has also adequately been implemented to enable employees, external parties and stakeholders to securely report frauds, misconducts, conflict of interest and related-party transactions to the Company through special channel which promises the confidentiality of their reports.

The Audit Committee, at its Meeting No. 1 held on 25 February 2014, resolved to appoint Mrs. Natthira Paisayom as Chief Department Internal Audit, effective from 25 February 2014. Mrs. Natthira is a certified internal auditor has worked as an internal auditor for 12 years in addition to her internal audit experience of more than 2 years from companies in the same industry as KTIS. She also completed the internal auditor certification course of the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King.

Furthermore, the company has engaged A2J Group Co., Ltd. as an outsourcing service provider for internal audit function, effective from 25 February 2014. A2J Group Co., Ltd. has appointed Mr. Pitiphat Patana-tanachoke, Managing Director, as the key internal auditor of the Company as he has demonstrated the ability to perform the duties of internal auditor with independence and has worked as an internal auditor for 25 years in addition to his internal audit experience of more than 1 year from companies in the same industry as KTIS. He also completed the CPIAT course of the Institute of Internal Auditors of Thailand and the internal audit course of the Federation of Accounting Professions Under the Royal Patronage of His Majesty the King.

The Audit Committee considered the qualifications of Mrs. Natthira Paisayom and Mr. Pitiphat Patana-tanachoke and concluded that they qualify for the positions.

According to the Audit Committee's Charter, the Audit Committee is vested with the authority to endorse, consider and approve the appointment, removal and transfer. The appointment of Chief Department Internal Audit shall be subject to the Audit Committee's endorsement and the Audit Committee opined that the current incumbent qualifies for the position.

Compliance

Functional units in charge of the oversight of internal compliance are:

(1) Office of the CEO and Company Secretary: Monitoring and promoting compliance of companies in KTIS group / the Board of Directors of KTIS/ the Boards of Directors of companies in KTIS group / executives / functional units with regulatory requirements applicable to listed companies and the Company's rules and regulations. Being a center of regulatory updates and communication and providing relevant advice and consultation for correct compliance of relevant parties.

(2) Internal Audit: Assessing the efficiency and adequacy of the internal controls system and conducting enterprise-wider audits for the Company and its subsidiaries.

● Risk Management

The risk management policy is formulated and regularly reviewed by the Board of Directors to match the changing situations and transactions of the Company. Risk management strategy is aligned to the Company's risk management policy for comprehensive risk assessment, monitoring and control. The management team and the risk management team which is comprised of division heads are responsible for the deployment of the risk management policy at units under their supervision to ensure that material risks are appropriately and effectively managed.

In 2014, the Risk Management Committee approved the risk management guide, revision 1/2014, which provides a risk management framework and guideline for the management and the risk management team. In addition, the Risk Management Committee reviewed the 2013 risk management performance and identified key risk factors associated with the Company's policies and operations. The residual risk and risk tolerance for 2014 were specified to support the formulation of priority-based risk management strategy.

The Risk Management Committee also established a risk monitoring system to assess the Company's risk management performance and identify potential risks. The risk management team has regularly reported the risk management performance, updates and key risk indicators (KRIs) to the management team and the Risk Management Committee to solicit opinions beneficial for effective risk management and further improvements.

Report of the Audit Committee

The Audit Committee of Kaset Thai International Sugar Corporation Public Company Limited consists of 3 independent directors who possess suitable qualifications and professional experience in accounting, finance, economics, legal, technology and business fields. In 2014, the Audit Committee was served by Mr. Somphong Wanapha, the Chairman of the Audit Committee, Mr.T-rayooth Changpetch and Mr.Sathaporn Kotheeranurak. Subsequently, on 1 March 2014, the Board of Directors appointed Mr. Krairit Nilkuha to the Audit Committee (in replacement for Mr. Somphong Wanapha who tendered his resignation on 1 March 2014) and the Audit Committee unanimously resolved to elect Mr. Krairit Nilkuha as the Chairman of the Audit Committee on 17 March 2014.

The Audit Committee has performed assigned duties in accordance with established scope of roles and responsibilities which include the review of financial reports, connected transactions and internal audit. The Audit Committee is also in charge of promoting and encouraging the Company's compliance with best practices applicable to listed company to foster good corporate governance and effective and efficient risk management and internal control systems.

In 2014, the Audit Committee held 8 meetings and a meeting with the auditors without the management's participation to independently discuss significant issues pertaining to the preparation of financial statements and the disclosure of information useful for the users of financial statements as well as to acknowledge the audit performance, audit findings, and problems and obstacles in the audit process.

1. Accuracy and Reliability of Financial Report

The Audit Committee reviewed the quarterly financial statements and the 2014 financial statements for the year ended 31 December 2014 jointly with the auditors and the management prior to submission thereof to the Board of Directors for approval. No significant audit findings were identified by the auditor. The Audit Committee focused on reviewing accounting items with significant variants and adjustments, and the suitability and adequacy of disclosures to assure appropriate, clear, adequate and timely presentation of financial statements. The Audit Committee's review leads to a conclusion that the financial reports prepared by the Company in 2014 is accurate, appropriate, adequate, reliable and in accordance with generally accepted accounting standards.

2. Good Corporate Governance

The Board of Directors and the management aim to comply with the good corporate governance principles to build the confidence of shareholders, investors and stakeholders.

3. Risk Management

The Audit Committee reviewed the Company's risk management performance to ensure that risks associated with the Company's operations have been appropriately managed, and that relevant risk factors have been appropriately, adequately and accurately identified as an internal audit framework. The Audit Committee viewed that the risk factors identified by the Company in 2014 were appropriate and the management successfully mitigate risks.

4. Adequacy of Internal Control System

The Audit Committee regularly reviewed the adequacy of the internal control system in collaboration with the internal audit team and the auditors on a quarterly basis.

5. Suitability of Transactions with Potential Conflict of Interest

Related Parties transactions were executed for the Company's best interest and in accordance with applicable laws, rules and regulations. The Audit Committee reviewed related parties transactions with potential conflict of interest executed in 2014 and viewed that such transactions were conducted on rule for the Company's best interest and correctly and completely disclosed in the financial statements in accordance with applicable requirements and guidelines stipulated by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

6. Compliance with rules and regulations of the SEC and the SET, and applicable legal requirements

The Audit Committee reviewed the Company's compliance with applicable laws in collaboration with the internal audit team and found no significant issues which indicated the Company's violation of laws, rules regulations and requirements governing the Company's businesses.

7. Nomination of Auditors in 2014

The Audit Committee reviewed the qualifications of the auditors based on the auditors' report and discussions which have led the Audit Committee to the conclusion that the auditors of PricewaterhouseCoopers ABAS Limited have performed their duties appropriately and independently in accordance with the professional audit standards. Therefore, the Audit Committee proposed the nomination of the auditors and the audit fees through the Board of Directors to the shareholders' meeting for approval.

In addition, the Audit Committee evaluated its performance in 2014 against the Audit Committee's charter and best practices. The self-evaluation results indicated that the Audit Committee has dutifully undertaken its responsibilities as assigned by the Board of Directors through the exercise of knowledge and capabilities with due care and independence for the best and equitable interest of all stakeholders. The Audit Committee has concluded that the Company has correctly prepared financial reports, implemented appropriate internal controls and risk management, complied with applicable laws, requirements and obligations, fully disclosed potential conflict of interest and adhered to the good corporate governance principles.



(Mr. Krairit Nilkuha)

Chairman of the Audit Committee

Related Transactions

• Related parties transactions

Related parties transactions as at 31 December in year 2013 – 2014 are as summarized below:

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
1. S.I. Property Co., Ltd. (“S.I. Property”) (In the business of leasing property)	<ul style="list-style-type: none"> S.I. Property has 3 common directors with the Company: <ul style="list-style-type: none"> (1) Mr. Nathapun Sirivivayakul (2) Mr. Pricha Attavipach (3) Miss Chua EngEng Related companies hold shares of S.I. Property. 	Office Rental Expenses and Related Charges Rental expenses and related charges paid by TIS to S.I. Property which is the lessor of the 245.0 sq.m. and 444.2 sq.m. office spaces at Liberty Plaza Building, 11th FL., Thonglor, Sukhumvit 55 Rd., KlongtonNua, Wattana, Bangkok.	2,092,105.90	1,943,951.13	<ul style="list-style-type: none"> S.I. Property is the owner of 245.0 sq.m and 444.2 sq.m office spaces at Liberty Plaza Building, 11th FL., Thonglor, Sukhumvit 55 Rd., Klongton-Nua, Wattana, Bangkok. The rental rate is approximately THB 230 per sq.m. The rental terms and conditions are in line with market rates and practices.
		Accrued Expenses Accrued common area maintenance charge.	605.00	-	
		Security Deposit Receivables Security deposit for the office space rent.	398,758.00	398,758.00	



Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
2. Aekphol Sugar Co., Ltd. ("APS") (In the business of leasing property)	<ul style="list-style-type: none"> APS has 3 common directors with the Company: (1) Mr. Apichart Noochprayoon (2) Mr. Nathapun Siriviriyakul (3) Mrs. Darat Vibhatakalasa Related companies hold shares of APS. 	Office Rental Expenses and Related Charges Rental expenses and related charges paid by the Company, TIS, EPC and EPPCO to APS which is the lessor of the office spaces on the 3rd, 4th, 6th, 7th and 5th (portion of it) Fls. of the building located at 92 Vibhavadi Rangsit Rd., Dindaeng, Bangkok, and paid by the Company, EPC and EPPCO to APS which is the lessor of the office spaces on the 9th-11th Fls. of its building located at 133 Vibhavadi Rangsit Rd., Dindaeng, Bangkok.	11,431,952.05	13,323,685.04	<ul style="list-style-type: none"> APS is the owner of the said office spaces and rents the spaces out to the companies in KTIS group. The rental rates range from approximately THB130 - THB 230 per sq.m. The rental terms and conditions are in line with market rates and practices.
			96,837.33	150,112.43	
		Accrued Expenses Accrued rental expense and related charges			
		Security Deposit Receivable Security deposit for the office space rent.	2,744,751.00	3,033,099.00	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
3. Thas Thai Business Co., Ltd. ("TT") (In the business of operating and establishing petrol stations)	<ul style="list-style-type: none"> Related companies hold shares in TT. 	Purchase of Gasoline TT sold gasoline to the Company, TIS, EPC, EPPCO and KTBF	210,270,066.01	187,921,070.95	TT sold gasoline through gas stations located near the factories of companies in KTIS group. Selling price, terms and conditions are in line with market rates and practices.
		Accounts Payable Accounts payable related to the purchase of gasoline by the Company, TIS, EPC and EPPCO from TT.	23,186,503.15	13,625,857.18	
		Purchase of Vehicle Tyres TT sold vehicle tyres to the Company and TIS.	2,567,636.44	3,248,425.55	TT sold vehicle tyres to companies in KTIS group. Selling price, terms and conditions are in line with market rates and practices.
		Accounts Payable Accounts payable related to the purchase of vehicle tyres the Company and TIS from TT.	508,230.00	960,142.56	
		Revenue from Land Lease The Company and TIS leased 2 plots of land located near their factories, i.e. (1)land with total area of 5 rais, located in Nhong Po,	119,999.36	120,000.00	<ul style="list-style-type: none"> TT operates gasoline station business on the land owned by the Company and TIS. The lease fees, terms and conditions are more favorable than the market rates and practices.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
3. Thas Thai Business Co., Ltd. ("TT") (In the business of operating and establishing petrol stations)		Taklee, Nakornsawan, and (2) land with total area of 4 rais and 9 sq.wah, located in KhungTapao, Muang, Uttaradit. Such leases are for TT to operate its gas stations.			<ul style="list-style-type: none"> On 2 July 2012, the Company and TIS made a 30-year lease agreement with TT. Lease fee under the said agreement is THB 60,000 per year for each plot and the lease fee increase will be based on the 5-year average CPI during 2007 – 2011.
		Other Payable The Company and TIS received land lease fee in advance.	60,041.13	29,917.80	
		Revenue from Sale of Materials The Company and TIS sold materials to TT.	6,737.16	6,247.76	
		Other Receivable Accrued income of the Company from sale of materials.	3,105.14	-	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
4. TISS Co., Ltd. ("TISS") (In the business of exporting sugar	<ul style="list-style-type: none"> TISS has 3 common directors with the Company: (1) Mr. Prasert Siriviriyakul (2) Mr. Nathapun Siriviriyakul (3) Mr. Apichart Noochprayoon Related companies hold shares in TISS. 	Export Expenses TISS handles the export of products produced by the Company and TIS. Most of the expenses are export agent fees, financial agent fees, export documentation expenses and custom clearance fees.	28,819,769.82	33,778,986.14	<ul style="list-style-type: none"> Under the Sugarcane and Sugar Act, sugar mills are prohibited from exporting sugar on their own accord. Therefore, companies in KTIS group have to use export services of TISS, an export company.
		Accrued Expenses Accrued expenses of TIS for export fees and service provided by TISS.	-	-	<ul style="list-style-type: none"> In the sugar export process, the Company and its subsidiaries directly deal with their customers and TISS is responsible for handling cargo shipment and export documents only. Prices, fees, terms and conditions agreed with TISS are in line with the market rates and practices.
		Other Receivable Sugar export fee which TISS must pay to TCSC.	26,144.11	-	<ul style="list-style-type: none"> Under the Sugarcane and Sugar Act, sugar mills are required to sell 400,000 tons of raw sugar to TCSC for export at the price determined by TCSC. Fee to be paid to TCSC is in line with the market rates and practices.
		Packing Credit <ul style="list-style-type: none"> The Company and TIS obtained short-term credits from related companies. 	968,325,000.00	682,000,000.00	<ul style="list-style-type: none"> The Company and TIS obtained short-term credits from related companies.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
		<ul style="list-style-type: none"> Interest expense Accrued interest payable 	134,805,383.03	144,889,720.54	<ul style="list-style-type: none"> TISS will transfer funds under the packing credit facilities granted by commercial banks to the Company and TIS in exchange for promissory notes bearing the same interest rates that the commercial banks charged TISS.
		Other Receivable Revenue from sale of sugar export	695,398.98	-	
			-	61,009,046.23	<ul style="list-style-type: none"> TISS received revenue sale sugar from foreign buyers. And in the during to pay back KTIS . Siam PP sold lime to the Company and EPPCO. Selling price, terms and condition are in line with the Company's internal policies. Prior to the SET-listing, the Audit Committee Meeting No. 1/2013 dated 8 January 2013 and the Board of Directors Meeting No. 1/2013 dated 9 January 2014 resolved to approve the procurement handbook which prescribes that transactions between the Company and Siam PP must be in line with the market prices, terms, conditions and practices. The said handbook has immediate effect.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
5. Siam P.P. International Co., Ltd. ("Siam PP") (In the business of producing and distributing lime)	<ul style="list-style-type: none"> Siam PP has 1 common director with the Company, namely Mr.Nathapun Siriviriyakul. Related companies hold shares in Siam PP. 	Lime Trading Siam PP sold lime, a raw material used in the production of sugar and pulp, to the Company and EPPCO.	125,827,527.47	131,726,359.11	<ul style="list-style-type: none"> Siam PP sold lime to the Company and EPPCO. Selling price, terms and condition are in line with the Company's internal policies. Prior to the SET-listing, the Audit Committee Meeting No. 1/2013 dated 8 January 2013 and the Board of Directors Meeting No. 1/2013 dated 9 January 2014 resolved to approve the procurement handbook which prescribes that transactions between the Company and Siam PP must be in line with the market prices, terms, conditions and practices. The said handbook has immediate effect.
		Accounts Payable Accounts payable associated with the purchase of lime by the Company and EPPCO from Siam PP.	17,204,130.03	12,305,717.39	
6. Ruamkij Angthong Warehouse Co., Ltd. ("Ruamkij") (In the business of leasing warehouses)	<ul style="list-style-type: none"> Ruamkij has 3 common directors with the Company: (1) Mrs.Darat Vibhatakalasa (2) Mr.Nathapun Siriviriyakul (3) Mr.Apichart Noochprayoon The Company's shareholders and related companies hold shares in Ruamkij. 	Storage Service Fees Ruamkij has 3 warehouses in (1)Nhong Po, Taklee, Nakhonsawan (2) Pa Mok, Angthong and (3)Plakod, Pa Mok, Angthong. The Company and TIS rent Ruamkij's warehouses.	84,004,809.02	123,365,407.91	<ul style="list-style-type: none"> The warehouses were rented from Ruamkij for the purpose of sugar storage. Rental prices, terms and conditions are in line with the market rates and practices.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
6. Ruamkij Angthong Warehouse Co., Ltd. ("Ruamkij") (In the business of leasing warehouses)		Accrued Expenses Accrued warehouse rental expenses of the Company and TIS payable to Ruamkij.	7,493,931.08	8,408,940.33	
		Logistics Service Fee In addition to warehouse leasing, Ruamkij provides logistics services to the Company and TIS.	139,335,590.82	117,426,375.00	<ul style="list-style-type: none"> Ruamkij provides logistics service for the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.
		Accrued Expenses Accrued logistics service fees of the Company and TIS payable to Ruamkij.	8,869,784.34	12,054,680.67	
		Other Revenue Compensation for damage of delivered goods.	26,000.00	14,426,159.84	<ul style="list-style-type: none"> TIS received the compensation for the damage of goods delivered from Ruamkij in the amount equal to the amount of compensation for the same paid by TIS to its customers.
7. RuamToon Warehouse Nakornsawan Co., Ltd. ("RuamToon") (In the business of leasing warehouses)	<ul style="list-style-type: none"> RuamToon has 1 common director with the Company, namely Mr. Prasert Siriviriyakul The Company's shareholders and related companies hold shares in RuamToon. 	Storage Service Fees The Company and TIS rent Ruamkij's warehouses.	21,372,166.87	69,560,740.24	<ul style="list-style-type: none"> The warehouses were rented from Ruamkij for the purpose of sugar storage. Rental prices, terms and conditions are in line with the market rates and practices
		Accrued Expenses Accrued warehouse rental expenses of the Company and TIS payable to RuamToon.	1,700,306.26	4,308,537.20	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
7. RuamToon Warehouse Nakornsawan Co., Ltd. ("RuamToon") (In the business of leasing warehouses)		<p>Logistics Service Fee In addition to warehouse leasing, RuamToon provides logistics services to the Company and TIS.</p> <p>Accrued Expenses Accrued logistics service fees of the Company and TIS payable to RuamToon.</p>	14,143,759.10	22,053,461.76	<ul style="list-style-type: none"> RuamToon provides logistics service for the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.
			1,320,855.72	2,426,845.44	
8. K.T.S Industry Co., Ltd. ("KTSI") (In the business of providing machinery repair and maintenance services)	<ul style="list-style-type: none"> Mr. Pongpop Popvipak, a director and major shareholder of KTSI, has the authority to control the Company. 	<p>Expenses on Plant Maintenance Services and Spare Parts The Company, TIS, EPC and EPPCO engaged KTSI as a provider of repair and maintenance services for production plants. Most expenses are service fees for the repair and maintenance of machines and equipment, including the costs of spare parts.</p>	190,000.00	-	<ul style="list-style-type: none"> The Company and its subsidiaries engaged KTSI as a provider of repair and maintenance services for production plants. The scope of services and service fees have been studied and compared to other service providers and it was found that KTSI offered the lowest prices on similar terms and conditions compared to other companies in the market. The Company sold materials, welding wires and gas to KTSI for the repair and maintenance of our production facilities. The selling prices were marked up by 7.0% from the costs. It is the Company's policy to offer materials, welding wires and gas to all maintenance service providers at the markup of 7.0%.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
8. K.T.S Industry Co., Ltd. ("KTSI") (In the business of providing machinery repair and maintenance services)		Revenue from Sale of Materials KTSI made payments for materials, welding wires and gas sold by the Company, TIS, EPPCO and EPC.	3,108.73	-	<ul style="list-style-type: none"> Prior to the SET-listing, the Audit Committee Meeting No. 1/2013 dated 8 January 2013 and the Board of Directors Meeting No. 1/2013 dated 9 January 2014 resolved to approve the procurement handbook which prescribes that the procurement of maintenance services must be supported by TOR which shall serve as a bidder selection criterion. A specific committee has been established and to consider proposals of bidders in terms of technical specifications and pricing. If the selected bidder is a related party of KTSI group, such transaction shall be subject to prior approval from the Audit Committee. 's approval. Revenue from Sale of Materials
		Assets of Biomass Power Plant KTBP engaged KTSI in the machinery installation of the 60MW biomass power plant at the total price of THB50,000,000. The power plant has commercially operated since 7 October 2013.	24,030,000.00	-	<ul style="list-style-type: none"> KTBP engaged KTSI in the machinery installation of the 60MW biomass power plant at the total price of THB50,000,000. The power plant has commercially operated since 7 October 2013. Prior to the SET-listing, the Audit Committee Meeting No. 1/2013 dated 8 January 2013 and the Board of Directors Meeting No. 1/2013 dated 9 January 2014 resolved to approve the procurement handbook which prescribes that the procurement of maintenance services must be supported by TOR which shall serve as a bidder selection criterion. A specific committee has been established and to consider proposals of bidders in terms of technical specifications and pricing. If the selected bidder

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Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
9. Thai Wisanu Nakornsawan Co., Ltd. (“Thai Wisanu”) (In the hotel business)	<ul style="list-style-type: none"> Thai Wisanu has 4 common directors with the Company: <ul style="list-style-type: none"> (1) Mr. Parphan Siriviriyakul (2) Mrs. Darat Vibhatakalasa (3) Mr. Prasert Siriviriyakul (4) Mr. Nathapun Siriviriyakul Related companies hold shares in Thai Wisanu. 	Hotel Fees Thai Wisanu is the owner of Grand Wisanu Plaza Hotel located at 26-28 Attakaweroad, Muang, Nakornsawan. The Company and TIS have occasionally used accommodations and services from the hotel.	498,948.57	678,584.77	KTIS group has used hotel accommodation and services from Thai Wisanu on an arm’s length basis.
		Accrued Expenses Fees for hotel rooms and services payable by the Company and TIS to Thai Wisanu.	27,800.00	112,828.00	
10. Weswisanu Co., Ltd. (“Weswisanu”) (In the business of leasing hostels)	<ul style="list-style-type: none"> Thai Wisanu Nakornsawan Co., Ltd., a related party of the Company, hold shares in Weswisanu. 	Employee Dormitory Rent Weswisanu is the owner of the dormitory Located in Nhong Po, Taklee, Nakornsawan, near the EPC and EPPCO factories. EPC and EPPCO have rented Weswisanu’s dormitory for their employees.	4,759,961.52	6,450,560.00	<ul style="list-style-type: none"> The Company and its subsidiaries rented dormitory from Weswisanu at approximately THB 3,529.4 per room per month. The rent charged by Weswisanu, considering its return on assets, is not higher than other companies’ rental rates in the dormitory rental business.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
11. K.T.S. Enterprise and Trading Co., Ltd. ("KTSE") (In the business of producing and distributing machinery and equipment)	Mr. Pongpop Popvipak, a director and major shareholder of KTSE, has the authority to control the Company.	Accrued Expenses Accrued expenses of EPC and EPPCO payable to Weswisanu for employee dormitory rent.	771,040.00	608,870.00	<ul style="list-style-type: none"> • KTBPengaged KTSE in the construction of the biomass power plant. The price, terms and conditions of the transaction is in line with the group's internal policies. The cost comparison revealed that the project price charged by KTSE is not expensive than similar projects of KTBP. • Prior to the SET-listing, the Audit Committee Meeting No. 1/2013 dated 8 January 2013 and the Board of Directors Meeting No. 1/2013 dated 9 January 2014 resolved to approve the procurement handbook which prescribes that the procurement of maintenance services must be supported by TOR which shall serve as a bidder selection criterion. A specific committee has been established and to consider proposals of bidders in terms of technical specifications and pricing. If the selected bidder is a related party of KTIS group, such transaction shall be subject to prior approval from the Audit Committee. 's approval. • The said handbook has immediate effect.
		Assets of Biomass Power Plant KTBP purchased machinery and equipment for the 60MW biomass power plant from KTSE at the total price of THB421,524,889. The power plant has commercially operated in Q4/2014.	306,805,000.00	-	
		Accounts Payable Retention bond associated with the purchase of machinery and equipment for the 60MW biomass power plant from KTSE.	11,492,694.31	11,492,694.31	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
12. SuebSiriSawat Co., Ltd. (“SuebSiri Sawat”) (In the business of selling, purchasing and leasing property) business)	<ul style="list-style-type: none"> Related companies hold shares in SuebSiriSawat 	Land Lease Expense EPC leases the land of 48 rai and 44 sq.wah in Nhong Po, Taklee, Nakornsawan, from SuebSiriSawat for use as a pathway to EPC’s plant.	185,070.56	200,000.00	<ul style="list-style-type: none"> EPC leased the land from SuebSiriSawat. The price, terms and conditions are more favorable for EPC than the market rates and conditions. On 2 July 2012, EPC made a 30-year lease agreement with SuebSiriSawat. Lease fee under the said agreement is THB 200,000 per year for each plot and the lease fee increase will be based on the 5-year average CPI during 2007 – 2011. The right to renew the lease agreement for another 30-year term is also offered.
		Prepaid Lease Fees Prepayment of the land lease fees	99,997.94	99,726.03	
13. RuamToon Trading Nakornsawan Co., Ltd. (“RuamToon Trading Nakornsawan”) (In the transportation business)	<ul style="list-style-type: none"> RuamToon Trading has 1 common director with the Company, namely Mr. Prasert Siriviriyakul. Related companies hold shares in RuamToon Trading. 	Sugar Transportation Cost TIS engaged RuamToon Trading in the transportation of sugar to the warehouses.	22,353,168.32	34,890,587.87	TIS engaged RuamToon Trading in the transportation of sugar to the warehouses. Prices, terms and conditions are in line with the market rates and practices.
		Accrued Transportation Expenses Sugar transportation expenses	3,294,523.20	4,709,163.59	
		Other Revenue Compensation for damage of goods (sugar) paid to TIS	79,588.18	121,573.57	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
		Deposit – Transportation Cost Generally, the Company deducts a deposit worth 10% of the transportation cost to guarantee the payment of compensation for damage during the transportation. The deposit is returned after the delivery of goods to the destination.	71,700.00	644,300.00	
14. Siri Charoen Export Co., Ltd. ("Siri Charoen") (Currently not involved in any business)	<ul style="list-style-type: none"> Siri Charoen has 1 common director with the Company, namely Mr. Apichart Noochprayoon. 	Loan Payable from Restructured Debts <ul style="list-style-type: none"> TIS owed debts from loan Siri Charoen Interest expense Accrued interest payable 	97,000,000.00 1,920,068.50 687,156,121.56	92,150,000.00 458,907.00 657,615,028.56	<ul style="list-style-type: none"> In the past, TIS owed money to financial institutions. From 2007 to 2008, as part of TIS's debt restructuring process, Siri Charoen, which has Mrs. Nowarat Wangpredalertkul, APS, and Mr. Montree Lekvichittada as major shareholders with the shareholdings of 62.5%, 25.0% and 12.4% respectively, acquired all of TIS's debts from the financial institutions. TIS and Siri Charoen entered into a debt restructuring contract, effective on 1 May 2013, which is the date that bankruptcy court has ordered TIS to exit the business rehabilitation plan whereas TIS must repay its outstanding principal and interest according to the 20-year installment repayment schedule. The interest charged by Siri Charoen

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
					<p>on the outstanding and accrued interest equaled the average savings deposit interest rates of 3 banks, namely KASIKORN Bank Public Company Limited, Bangkok Bank Public Company Limited, and Krung Thai Bank Public Company Limited.</p> <ul style="list-style-type: none"> On 25 December 2013, TIS and Siri Charoen agreed to amend the debt restructuring contract. Under the amended debt restructuring contract which has been effective since 31 December 2013, TIS agreed to pay the outstanding debts which include the principal of THB 97,000,000 and the accrued interest of THB 687,156,121.56 to Siri Charoen. The Company views that such amendment is favorable for the Company and reduce TIS' future debt repayment burden.
15. Kaset Thai Sugar Co., Ltd. ("KTS") (Formerly operated sugar production and trading business but currently is not in business operation.)	<ul style="list-style-type: none"> Related companies and persons hold shares in KTS. 	<p>Loan Receivable from Restructured Debts</p> <ul style="list-style-type: none"> Loans granted by TIS to KTS Accrued interest receivable <ul style="list-style-type: none"> - Allowance for doubtful loss - Net receivable Interest earned on installment payments (not yet received) 	<p>349,815,726.72</p> <p>74,133,730.14</p> <p>(423,949,456.86)</p> <p>-</p> <p>19,990,786.30</p>	<p>349,815,726.72</p> <p>75,821,150.42</p> <p>(425,636,877.14)</p> <p>-</p> <p>-</p>	<ul style="list-style-type: none"> TIS extended a loan to KTS to improve its liquidity. Subsequently, KTS was sued for bankruptcy and an absolute receivership order was issued against KTS on 19 August 2010. On 10 January 2013, KTS filed a request for debt compromise with the official receiver and offered to pay 5% of the total debts. TIS has fully set aside an allowance for doubtful loss (principal and accrued interest).

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
16. Ruampol Enterprise Co., Ltd ("RPE") (Formerly operated sugar production and trading business but currently is not in business operation.)	<ul style="list-style-type: none"> RPE has 5 common directors with the Company: (1) Mr. Parphan Siriviriyakul (2) Mr. Prasert Siriviriyakul (3) Mr. Nathapun Siriviriyakul (4) Mr. Sirivuthi Siampakdee (5) Mrs. Darat Vibhatakalasa The Company's shareholders and related companies hold shares in RPE 	<ul style="list-style-type: none"> Loan receivable under court's order 	-	-	
		Trade Receivable <ul style="list-style-type: none"> Revenue from sale of sugar by TIS to KTS Allowance for doubtful loss Net receivable Loan receivable under court's order 	85,163,172.51 (80,905,013.88) 4,258,158.63 -	85,163,172.51 (80,905,013.88) 4,258,158.63 -	<ul style="list-style-type: none"> TIS sold sugar to KTS but did not receive the payment for goods sold. As mentioned above, KTS filed a request for debt compromise with the official receiver and offered to pay 5% of the total debts. For the year ended 31 December 2013, TIS increase the allowance for doubtful loss from THB 68,665,116.33 to THB80,905,013.88 as recommended by the auditors. KTIS agreed to pay the net outstanding to TIS by 2014.
		Purchase of Sugar and Molasses The Company, TIS and EPC purchased sugar and molasses from RPE.	138,133,678.86	-	<ul style="list-style-type: none"> KTIS agreed to pay the net outstanding to TIS by 2014. (1) Purchase of sugar and molasses by the Company and TIS from RPE at the market price, terms and conditions under the RPE's sugar and molasses stock clearance.
		Accounts Payable Accounts payable associated with the purchase of sugar and molasses	559,174,222.90	299,995,247.70	On 8 May 2013, RPE had the Quota A sugar of approximately 5,269,400 kgs. in stock and the Company purchased the sugar at the market price of THB 20.33 per kg. as announced by the Department of Internal Trade, Ministry of Commerce (inclusive of VAT or THB 19.00 per kg. exclusive of VAT). After the deduction of contribution to the Sugar Cane and Sugar Fund at THB5.7196 per kg. and the storage cost of THB0.45 per kg. (calculated from storage

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
16. Ruampol Enterprise Co., Ltd (“RPE”) (Formerly operated sugar production and trading business but currently is not in business operation.)					cost of THB 0.15 per kg. per month over a storage period of 3 months), the amount to be paid totaled approximately THB 67,608,509.76. The payment was scheduled to be made by June 2013. The transaction was a result of RPE’s leasing out of its sugar factories to the Company from 15 August 2012 and the transfer of related licenses to the Company on 27 February 2013. Hence, RPE could sell its sugar by itself. (2) EPC purchased molasses from RPE for its ethanol production at the selling price which was in line with the Company’s internal policies. Such purchase was part of RPE’s molasses stock clearance. The Company has established a policy to prevent against such transaction, effective from 1 January 2013
		Accounts Payable Expenses on fertilizers and pesticides	27,587,856.03	-	<ul style="list-style-type: none"> As RPE has leased out all of its sugar factories to the Company since 15 August 2012 onwards, RPE sold its remaining fertilizers and pesticides to the Company at book value.
		Accounts Payable Expenses on factory equipment	63,840,677.14	-	As RPE has leased out all of its sugar factories to the Company since 15 August 2012 onwards, RPE sold its remaining factory equipment to the Company at book value.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
16. Ruampol Enterprise Co., Ltd (“RPE”) (Formerly operated sugar production and trading business but currently is not in business operation.)		Land Lease Expenses KTIS leased land, with total area of 173 rai, 95.9 sq.wah., located at Ban Ma Glua, Muang, Nakhonsawan.	5,300,000.00	5,300,000.00	<ul style="list-style-type: none"> The Company leased land from RPE, which was part of the lease of sugar factories from RPE. The land lease agreement was made on 16 July 2012 at the lease fee of THB 5,300,000 per year, increasing every 5 years based on the 5-year average CPI, but not exceeding 20% of the prior year's lease fee rate. The land lease agreement has the term of 30 years and can be renewed to extend the term for another 30 years. The rate of lease fee was in line with the appraisals conducted by Knight Frank Charter (Thailand) Co., Ltd. on 8 May 2012 and Sallmanns (FarEast) Limited on 21 May 2012.
		Deposit – Factory Lease Fees Rental deposit for land and machinery of sugar factories.	101,000,000.00	101,000,000.00	
		Prepaid Expenses Prepayment of the land, factory and machinery lease fees	62,098,815.82	83,868,113.87	
		Debts under Financial Lease Debts under financial lease for building and machinery	818,024,482.11	818,024,482.11	
		Financial Costs Interest expenses under financial lease for building and machinery	34,147,389.55	90,336,805.51	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2013	31 December 2014	
17. SiriCharoen Sapruiwan Co., Ltd. (“SSPW”) (operates hotel and resort business)	<ul style="list-style-type: none"> SSPW has 3 common directors with the Company: (1) Mr. Picha Attavipach (2) Miss Chua EngEng (3) Miss Siraarpa Siriviriyakul The Company's shareholders and related companies hold shares in SSPW. 	<p>Resort Fees SSPW owns a resort located at 1/79, Moo 2, Kaengsopha, Wangthong, Phitsanulok. The Company, TIS, EPPCO, EPC and KTBP used the resort's accommodation for seminars.</p> <p>Accrued Expenses Accommodation fees for rooms and services used by TIS, EPPCO, EPC and KTBP.</p>	-	2,743,921.69	<ul style="list-style-type: none"> KTIS group has used hotel accommodation and services from SSPW on an arm's length basis.
18. Nakornsawan Ruamtoonpattana Co., LTD (“Nakornsawan Ruamtoonpattana”) (In the transportation business)	<ul style="list-style-type: none"> Nakornsawan Ruamtoonpattana has 1 common director with the Company, namely Mr. Prasert Siriviriyakul. The Company's shareholders and related companies hold shares in Nakornsawan Ruamtoonpattana. 	<p>Sugar Transportation Cost Ruamtoonpattana in the transportation of sugar to the warehouses.</p> <p>Accrued Transportation Expenses Sugar transportation expenses</p>	-	1,603,211.00	<ul style="list-style-type: none"> TIS engaged Nakornsawan Ruamtoonpattana in the transportation of sugar to the warehouses. Prices, terms and conditions are in line with the market rates and practices.

● Conclusions relating to the related party transactions

After having thoroughly considered all the connected transactions for the financial year ended December 31, 2014, as well as having obtained information from the management and verified the information specified in the notes to the financial statements, the audit committee, at audit committee meeting, no. 1/2015 held on February 23, 2015, concluded that the connected transactions were conducted in the ordinary course of business. The transactions were also deemed to be conducted on an arm's length basis. There was also no transfer or diversion of interests between our Company and persons who may have conflicts of interests.

● The approval procedure for related party transactions

Our policy and procedures for related party transactions with persons who may have conflicts of interests are summarized as follows.

We shall abide with all principles and procedures as provided in the Securities Act, the Notification of Capital Market Supervisory Board, ref. Tor.Jor. 21/2551 (A.D. 2008) on related party transaction principle, the Notification of the Board of Governors of the Stock Exchange of Thailand on the disclosure of information and other acts of listed companies concerning related party transactions, relevant rules of the Securities and Exchange Commission and the Stock Exchange of Thailand and the provisions on disclosure of related party transactions in notes to audited financial statements and annual registration statements (56-1).

The audit committee shall evaluate any transaction for which prior approval from the board of directors or shareholders is required by law. The audit committee's opinions will be presented at the board and shareholder meetings. This ensures that we will only enter into transactions which are in our best interests.

In the event that other parties in proposed related transactions may face conflicts of interests, the audit committee will provide an opinion on the necessity of entering into the transaction, on whether the terms and the prices have been offered according to industry practice and how they compare to terms offered by other vendors. In addition, where required, we may appoint an independent specialist to provide an opinion on the transaction. Directors with vested interests in the transactions will be precluded from voting and such transactions must be disclosed in the notes to the audited financial statements.

As a rule, the management is authorized to approve transactions if their trading terms and conditions were determined on an arm's length basis. We will be issuing a summary report on transactions with total values in excess of Baht 5,000,000, at our next board meeting.

● Our policy towards future related party transactions

All related party transactions shall only be carried out in adherence with all applicable rules and principles of the Stock Exchange of Thailand and the Securities and Exchange Commission.

We will continue to strictly observe and abide by the aforementioned policy and procedures for related party transactions. The audit committee provides guidance on the approval of related party transactions. It will consider the necessity of a transaction for our business operations and compare it against prices and terms offered by other vendors, if any. The audit committee will also take into account size of the transaction.

If the audit committee does not specialize in a particular kind of transaction, we will appoint persons with the requisite skills and knowledge to provide their opinions on the transaction. Such persons may be independent auditors or real estate appraisers whose opinions will facilitate the decision making processes of our board of directors or shareholders, ensure that the transaction does not involve a transfer or diversion of interests between companies within KTIS group or among our shareholders, and that shareholders' interests are protected.

Management Discussion & Analysis

The Company had better financial performance. In 2014 the Company reported a net profit of Baht 1,365.8 million, increasing from the net profit in 2013 of Baht 1,218.5 million. The aforementioned better performance was due to major factors, as follows:

Total revenue

Total revenue consists of sales and services revenues and other income. The Company and its subsidiaries' total revenues in 2014 were Baht 20,348.8 million, increased Baht 1,863.1 million or 10.1%, compared with those of the same period of 2013 at Baht 18,485.7 million.

Sales and services revenues in 2014 were Baht 20,120.1 million, increased Baht 2,068.5 million or 11.5%, compared with those of the same period of 2013 at Baht 18,051.6 million. This was due to increases of revenues from all product lines, namely, revenue from sugar business increased 10.0% from to increases of sugar sales volume, revenue from breached bagasse pulp sales increased 6.9% from increases of average bagasse pulp selling prices for both domestic and international despite decreases of bagasse pulp sales volume, revenue from ethanol sales increased 12.4% from increases of ethanol sales volume, and revenue from electricity sales increased 133.7% from the 60MW biomass power plant that started commercially operation since the fourth quarter of 2013 together with 0.9% increase in revenue from agricultural machinery services and others.

Unit : Million Baht	2013	2014	Variance	% Variance
Sales and Services Revenues	18,051.6	20,120.1	2,068.5	11.5%
Sugar	13,590.5	14,848.7	1,258.3	9.3%
Molasses	636.1	795.6	159.5	25.1%
Electricity	263.6	616.0	352.4	133.7%
Ethanol	1,545.4	1,736.4	191.0	12.4%
Paper Pulp	1,495.6	1,598.2	102.6	6.9%
Others	520.5	525.2	4.8	0.9%
Other Income	434.0	228.6	[205.4]	-47.3%
Total Revenues	18,485.7	20,348.8	1,863.1	10.1%

However, other income in 2014 was Baht 228.6 million, decreased Baht 205.4 million or 47.3%, compared with that of the same period of 2013 at Baht 434.0 million, due to lower gain on realized discount from transfer right of farmer receivables in 2014

Others

Cost of sales and services in 2014 were 14,902.5 million, increased Baht 1,077.8 million or 7.8%, compared with those of the same period of 2013 at Baht 13,824.7 million, in line with the increase of revenue from sales and services.

Gain (loss) on foreign exchange rate

The Company recorded the loss on foreign exchange rate in 2014 at Baht 180.4 million, compared with that of the same period of 2013, which recorded the loss on foreign exchange rate at Baht 39.8 million, due to Thai Baht depreciation against US dollar.

Selling and administrative expenses

Selling and administrative expenses in 2014 were Baht 3,419.2 million, increased Baht 326.4 million or 10.6%, compared with those of the same period of 2013 at Baht 3,092.9 million. This was due to inland transportation costs and costs of export increased, in line with the increases of revenue from sugar sales. Warehouse expenses also increased due to delay of overseas shipment during the first half of 2014.

Financial costs

Financial costs in 2014 were Baht 415.3 million, decreased Baht 80.6 million or 16.2%, compared with those of the same period of 2013 at Baht 495.9 million, due to loan repayments as per the utilization of capital increase from the IPO, together with lower financial costs.

Net profit

Net profit in 2014 was Baht 1,365.8 million, increased Baht 147.3 million or 12.1%, compared to that of the same period of 2013 at Baht 1,218.5 million.

Financial Statement

● AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Kaset Thai International Sugar Corporation Public Company Limited

I have audited the accompanying consolidated and company financial statements of Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries and of Kaset Thai International Sugar Corporation Public Company Limited which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Kaset Thai International Sugar Corporation Public Company Limited and its subsidiaries and of Kaset Thai International Sugar Corporation Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Ltd.

Bangkok
23 February 2015

Kaset Thai International Sugar Corporation Public Company Limited

Statements of Financial Position

As at 31 December 2014

	Notes	Consolidated			Company		
			31 December	1 January		31 December	1 January
		31 December	2013	2013	31 December	2013	2013
		2014	Restated	Restated	2014	Restated	Restated
		Baht	Baht	Baht	Baht	Baht	Baht
Assets							
Current assets							
Cash and cash equivalents	8	828,067,998	416,306,052	1,157,342,177	565,670,046	271,224,894	518,454,956
Short-term investments		965,041	946,304	923,449	-	-	-
Trade and other receivables, net	9, 28	1,446,269,719	1,043,253,692	1,473,905,141	760,629,982	667,890,515	1,303,902,622
Farmer receivables, net	10	519,154,142	580,473,563	1,073,055,363	343,107,724	340,051,020	872,200,517
Short-term borrowing to related parties	28	-	-	-	2,230,500,000	1,565,000,000	886,000,000
Short-term borrowing to others		-	-	161,502,635	-	-	-
Inventories, net	11	4,845,698,392	4,561,552,367	3,579,316,029	3,319,050,343	3,382,979,718	2,242,772,979
Assets held for sale		-	108,388	-	-	-	-
Restricted bank deposits		10,022,406	-	-	-	-	-
Other current assets		116,389,776	102,194,869	157,891,408	11,706,107	65,976,549	95,842,489
Total current assets		7,766,567,474	6,704,835,235	7,603,936,202	7,230,664,202	6,293,122,696	5,919,173,563
Non-current assets							
Investment in subsidiaries	12	-	-	-	7,171,709,045	6,229,941,167	6,226,970,275
General investments		394,300	394,300	394,300	130,085	130,085	130,085
Investment property, net	13	304,223,878	269,886,374	-	16,498,832	-	-
Property, plant and equipment, net	14	10,063,935,892	8,800,038,996	7,573,299,355	3,122,349,081	2,579,839,361	1,999,752,647
Intangible assets, net		234,299,386	11,677,017	6,492,257	1,800,496	2,455,411	2,467,770
Deferred tax assets, net	15	202,607,595	192,491,230	191,038,853	177,182,860	173,184,556	169,962,800
Other non-current assets		117,835,041	151,036,489	587,455,053	108,377,945	122,476,945	378,371,311
Total non-current assets		10,923,296,092	9,425,524,406	8,358,679,818	10,598,048,344	9,108,027,525	8,777,654,888
Total assets		18,689,863,566	16,130,359,641	15,962,616,020	17,828,712,546	15,401,150,221	14,696,828,451

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 December 2014

	Notes	Consolidated			Company		
		31 December 2014 Baht	31 December 2013 Restated Baht	1 January 2013 Restated Baht	31 December 2014 Baht	31 December 2013 Restated Baht	1 January 2013 Restated Baht
Liabilities and shareholders' equity							
Current liabilities							
Short-term borrowings from financial institutions	17	2,550,724,470	1,469,187,050	1,126,064,774	1,756,519,088	650,400,000	315,000,000
Trade and other payables	16, 28	3,032,900,464	3,605,889,373	4,430,582,736	2,239,058,193	3,008,894,891	3,618,053,089
Short-term borrowings from related parties	17, 28	682,000,000	968,325,000	570,100,000	1,119,000,000	1,593,325,000	963,850,000
Current portion of long-term borrowings	17, 28	783,020,978	1,317,180,321	1,160,241,426	218,351,011	668,291,104	467,522,309
Income tax payable		48,943,808	68,216,533	395,787,506	41,837,277	64,268,960	297,249,190
Obligation - share to be issued		-	2,082,270,000	2,082,270,000	-	2,082,270,000	2,082,270,000
Other current liabilities		84,083,116	94,447,166	134,733,941	33,189,081	38,165,040	82,694,588
Total current liabilities		7,181,672,836	9,605,515,443	9,899,780,383	5,407,954,650	8,105,614,995	7,826,639,176
Non-current liabilities							
Long-term borrowings	17, 28	1,998,991,582	3,007,278,482	3,697,648,635	1,147,239,764	1,796,186,052	2,081,339,420
Employee benefit obligations	18	299,168,074	260,519,458	232,614,462	172,219,192	151,917,719	127,234,200
Long-term provision for decommissioning costs		10,001,983	9,559,384	-	-	-	-
Other non-current liabilities	19	627,615,029	657,351,722	692,145,421	-	-	-
Total non-current liabilities		2,935,776,668	3,934,709,046	4,622,408,518	1,319,458,956	1,948,103,771	2,208,573,620
Total liabilities		10,117,449,504	13,540,224,489	14,522,188,901	6,727,413,606	10,053,718,766	10,035,212,796

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 December 2014

	Notes	Consolidated			Company		
		31 December 2014 Baht	31 December 2013 Restated Baht	1 January 2013 Restated Baht	31 December 2014 Baht	31 December 2013 Restated Baht	1 January 2013 Restated Baht
Liabilities and shareholders' equity (Cont'd)							
Shareholders' equity							
Share capital	20						
Authorised share capital							
3,888,000,000 ordinary shares of par Baht 1 per share		3,888,000,000	3,888,000,000	3,274,573,000	3,888,000,000	3,888,000,000	3,274,573,000
Issued and paid-up share capital							
3,860,000,000 ordinary shares of paid-up Baht 1 per share (2013: 3,274,573,000 ordinary shares of paid-up Baht 1 per share)		3,860,000,000	3,274,573,000	3,274,573,000	3,860,000,000	3,274,573,000	3,274,573,000
Premium on share capital	20	5,202,881,182	-	-	5,202,881,182	-	-
Capital reserve for share-based payment transactions	21	3,707,407	-	-	3,707,407	-	-
Retained earnings							
Appropriated - Legal reserve	22	212,666,636	55,262,665	16,522,665	212,666,636	55,262,665	16,522,665
Unappropriated		2,870,323,861	2,837,464,511	1,726,496,478	2,395,261,421	2,590,813,496	1,943,737,696
Discount on business combination under common control		(3,577,165,024)	(3,577,165,024)	(3,577,165,024)	(573,217,706)	(573,217,706)	(573,217,706)
Total shareholders' equity		8,572,414,062	2,590,135,152	1,440,427,119	11,101,298,940	5,347,431,455	4,661,615,655
Total liabilities and shareholders' equity		18,689,863,566	16,130,359,641	15,962,616,020	17,828,712,546	15,401,150,221	14,696,828,451

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited

Statements of Comprehensive Income

For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014 Baht	2013 Restated Baht	2014 Baht	2013 Restated Baht
Revenues from sales and services		20,120,143,036	18,051,655,135	13,682,707,369	13,963,112,790
Cost of sales and services		(14,902,450,423)	(13,824,659,000)	(10,796,707,142)	(11,356,826,487)
Gross profit		5,217,692,613	4,226,996,135	2,886,000,227	2,606,286,303
Other income	23	228,629,780	434,010,282	231,129,212	403,167,190
Dividends received from subsidiaries	12	-	-	847,986,160	-
Realised gain on derivatives		27,954,772	392,692,685	27,954,772	392,692,685
Loss on exchange rate		(180,386,193)	(39,784,154)	(77,234,284)	(2,620,592)
Selling expenses		(1,929,699,288)	(2,038,401,697)	(1,379,331,392)	(1,493,234,460)
Administrative expenses		(1,489,539,953)	(1,054,474,215)	(1,003,136,638)	(607,926,564)
Financial costs		(415,305,175)	(495,864,531)	(314,160,292)	(387,461,660)
Profit before corporate income tax expense	24	1,459,346,556	1,425,174,505	1,219,207,765	910,902,902
Corporate income tax expense	25	(93,590,822)	(206,709,099)	(90,117,027)	(181,670,144)
Profit for the year		1,365,755,734	1,218,465,406	1,129,090,738	729,232,758
Other comprehensive income :					
Actuarial loss on defined employee benefit plans, net of tax		(17,499,913)	(68,757,373)	(9,246,342)	(43,416,958)
Other comprehensive loss for the year, net of tax	25	(17,499,913)	(68,757,373)	(9,246,342)	(43,416,958)
Total comprehensive income for the year		1,348,255,821	1,149,708,033	1,119,844,396	685,815,800
Earnings per share	26				
Basic earnings per share		0.37	0.37	0.31	0.22
Diluted earnings per share		0.37	0.37	0.31	0.22

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited

Statements of Changes in Shareholders' Equity

For the year ended 31 December 2014

Notes	Consolidated						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Capital for share-based payment transactions Baht	Retained earnings		Discount on business combination under common control Baht	Total shareholders' equity Baht
				Appropriated Legal reserve Baht	Unappropriated Baht		
Opening balance as at 1 January 2014	3,274,573,000	-	-	55,262,665	2,910,159,146	(3,577,165,024)	2,662,829,787
Retrospective adjustments from error	-	-	-	-	(72,694,635)	-	(72,694,635)
Balance after adjustment	3,274,573,000	-	-	55,262,665	2,837,464,511	(3,577,165,024)	2,590,135,152
Increase Share Capital	585,427,000	5,202,881,182	-	-	-	-	5,788,308,182
Share-based payment transactions	-	-	3,707,407	-	-	-	3,707,407
Dividends paid	-	-	-	-	(1,157,992,500)	-	(1,157,992,500)
Legal reserve	-	-	-	157,403,971	(157,403,971)	-	-
Total comprehensive income for the year	-	-	-	-	1,348,255,821	-	1,348,255,821
Closing balance as at 31 December 2014	3,860,000,000	5,202,881,182	3,707,407	212,666,636	2,870,323,861	(3,577,165,024)	8,572,414,062
Opening balance as at 1 January 2013	3,274,573,000	-	-	16,522,665	1,753,814,390	(3,577,165,024)	1,467,745,031
Retrospective adjustments from error	-	-	-	-	(27,317,912)	-	(27,317,912)
Balance after adjustment	3,274,573,000	-	-	16,522,665	1,726,496,478	(3,577,165,024)	1,440,427,119
Legal reserve	-	-	-	38,740,000	(38,740,000)	-	-
Total comprehensive income for the year	-	-	-	-	1,149,708,033	-	1,149,708,033
Closing balance as at 31 December 2013	3,274,573,000	-	-	55,262,665	2,837,464,511	(3,577,165,024)	2,590,135,152

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.



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Kaset Thai International Sugar Corporation Public Company Limited

Statements of Changes in Shareholders' Equity

For the year ended 31 December 2014

	Company						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Capital for shares based payment transactions Baht	Retained earnings		Discount on business combination under common control Baht	Total shareholders' equity Baht
				Appropriated Legal reserve Baht	Unappropriated Baht		
Notes	3,274,573,000	-	-	55,262,665	2,663,508,131	(573,217,706)	5,420,126,090
	-	-	-	-	(72,694,635)	-	(72,694,635)
4	3,274,573,000	-	-	55,262,665	2,590,813,496	(573,217,706)	5,347,431,455
	585,427,000	5,202,881,182	-	-	-	-	5,788,308,182
20	-	-	-	-	-	-	-
21	-	-	3,707,407	-	-	-	3,707,407
27	-	-	-	-	(1,157,992,500)	-	(1,157,992,500)
22	-	-	-	157,403,971	(157,403,971)	-	-
	-	-	-	-	1,119,844,396	-	1,119,844,396
	3,860,000,000	5,202,881,182	3,707,407	212,666,636	2,395,261,421	(573,217,706)	11,101,298,940
	3,274,573,000	-	-	16,522,665	1,971,055,608	(573,217,706)	4,688,933,567
4	-	-	-	-	(27,317,912)	-	(27,317,912)
22	3,274,573,000	-	-	16,522,665	1,943,737,696	(573,217,706)	4,661,615,655
	-	-	-	38,740,000	(38,740,000)	-	-
	-	-	-	-	685,815,800	-	685,815,800
	3,274,573,000	-	-	55,262,665	2,590,813,496	(573,217,706)	5,347,431,455

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2014

Notes	Consolidated		Company	
	2014 Baht	2013 Restated Baht	2014 Baht	2013 Restated Baht
Cash flows from operating activities				
Profit before income tax expense	1,459,346,556	1,425,174,505	1,219,207,765	910,902,902
- Depreciation and amortisation	24 820,368,926	629,253,589	300,428,420	246,956,233
- Gain on realised discount from transfer right of farmer receivables	23 (23,869,225)	(141,293,927)	(23,869,225)	(141,293,927)
- Doubtful accounts and bad debts (Reversal)	9, 10 62,236,531	22,164,084	83,609,479	(5,200,000)
- Loss from diminution in value of inventories	11 40,310,598	-	5,526,220	-
- Loss on impairment of investment properties	13 8,411,554	6,509,783	8,411,554	-
- Retirement benefits obligation (Reversal)	18 16,773,725	(58,041,720)	8,743,545	(29,587,679)
- Share-based payment transactions	21 3,707,407	-	1,938,930	-
- Financial costs	415,305,175	495,864,531	314,160,292	387,461,660
- Interest income	23 (34,493,181)	(52,580,003)	(89,828,300)	(96,611,878)
- Unrealised loss on exchange rate	7,664,949	48,714,545	-	-
- Gain on disposals of property, plant and equipment	(5,369,733)	(2,547,054)	(6,571,664)	(160,924)
- Loss on write-off of property, plant and equipment	59,791,555	-	29,502,662	-
- Dividend income	12 -	-	(847,986,160)	-
Cash flows before changes in operating assets and liabilities	2,830,184,837	2,373,218,333	1,003,273,518	1,272,466,387
Changes in operating assets and liabilities:				
(Increase) decrease in operating assets				
- Trade and other receivables	(323,776,500)	352,531,730	(139,462,207)	615,204,687
- Farmer receivables	(9,291,467)	626,491,347	(72,414,592)	671,580,944
- Inventories	(324,456,623)	(982,236,338)	58,403,155	(1,140,206,739)
- Restricted bank deposits	(10,022,406)	-	-	-
- Other current assets	(10,954,062)	55,774,738	54,270,442	29,865,940
- Other non-current assets	6,996,636	448,913,341	(862,311)	262,956,845
Decrease in operating liabilities				
- Trade and other payables	(675,978,987)	(853,253,148)	(765,663,040)	(614,025,188)
- Other current liabilities	(10,364,050)	(40,286,774)	(4,975,959)	(44,529,548)
- Other non-current liabilities	(195,600)	(6,713,768)	-	-
Cash generated from operating activities	1,472,141,778	1,974,439,461	132,569,006	1,053,313,328

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2014

Notes	Consolidated		Company	
	2014 Baht	2013 Restated Baht	2014 Baht	2013 Restated Baht
Cash generated from operating activities (Cont'd)	1,472,141,778	1,974,439,461	132,569,006	1,053,313,328
- Interest paid	(415,590,963)	(433,862,511)	(291,581,388)	(328,246,771)
- Income tax paid	(120,737,390)	(518,621,307)	(114,235,428)	(407,017,891)
Net cash generated from (used in) operating activities	935,813,425	1,021,955,643	(273,247,810)	318,048,666
Cash flows from investing activities				
Interest received	34,669,623	41,738,299	136,219,600	60,506,982
Acquisition of subsidiaries, net of cash acquired	12	-	(939,999,400)	(2,970,891)
Purchase of short-term investment	(18,737)	(22,855)	-	-
Short-term loan made to related parties	-	-	(665,500,000)	(679,000,000)
Short-term loan payments received from others	-	161,502,635	-	-
Purchases of investment property	-	(276,525,607)	-	-
Purchases of property, plant and equipment	(2,202,484,479)	(1,851,411,375)	(869,938,949)	(822,863,490)
Purchases of intangible assets	(130,273,842)	(3,249,811)	(889,072)	(1,458,002)
Proceeds from disposals of property, plant and equipment	12,063,104	8,309,171	6,689,780	227,382
Dividends received	12	-	847,986,160	-
Net cash used in investing activities	(2,286,044,331)	(1,919,659,543)	(1,485,431,881)	(1,445,558,019)

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2014

	Notes	Consolidated		Company	
		2014 Baht	2013 Restated Baht	2014 Baht	2013 Restated Baht
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions	17	1,048,382,104	294,266,423	1,080,621,865	335,400,000
Proceed from (Repayments on) short-term borrowings from related parties	17	(286,325,000)	398,225,000	(474,325,000)	629,475,000
Proceeds from long-term borrowings from financial institutions	17	435,996,987	815,000,000	-	700,000,000
Proceeds from others long-term borrowings	17	-	136,350,000	-	-
Proceeds from issue of ordinary shares	20	3,706,038,182	-	3,706,038,182	-
Repayment on finance lease liabilities	17	(5,150,727)	(4,640,295)	(5,150,727)	(4,640,295)
Repayments on long-term borrowing financial institutions and others	17	(1,974,106,194)	(1,470,533,353)	(1,096,066,977)	(779,955,414)
Repayments on long-term borrowing related parties	17	(4,850,000)	(12,000,000)	-	-
Dividends paid	27	(1,157,992,500)	-	(1,157,992,500)	-
Net cash generated from financing activities		1,761,992,852	156,667,775	2,053,124,843	880,279,291
Net increase (decrease) in cash and cash equivalents		411,761,946	(741,036,125)	294,445,152	(247,230,062)
Cash and cash equivalents at the beginning of the year		416,306,052	1,157,342,177	271,224,894	518,454,956
Cash and cash equivalents at the end of the year		828,067,998	416,306,052	565,670,046	271,224,894

Non-cash transactions

As at 31 December 2014, the Company and its subsidiaries have outstanding balance for purchasing plant and equipment amounting to Baht 144 million (2013: Baht 41 million). Also, the Company has no obligations to issue ordinary shares during Initial Public Offering in exchange with investment in subsidiaries (2013: Baht 2,082 million).

The accompanying notes on pages 138 to 193 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited

Notes to Consolidated and Company Financial Statements

For the year ended 31 December 2014

1 General information

Kaset Thai International Sugar Corporation Public Company Limited (the “Company”) is a public company limited incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

Head office: 1/1 Moo 14, Tambol Nongpo, Amphur Taklee, Nakornsawan Province 60140.

Bangkok branch office: 24, Ekapol Building Viphavadee Rangsit Road, Kwaeng Dindaeng, Khet Dindaeng, Bangkok 10400.

Factory: 1/1 Moo 14, Tambol Nongpo, Amphur Taklee, Nakornsawan Province 60140.

For reporting purposes, the Company and its subsidiaries are referred to as the “Group”.

The principal business operations of the Group are summarised as follows:

- 1) Manufacturing and distribution of sugar and molasses
- 2) Manufacturing and distribution of bleached bagasse pulp
- 3) Manufacturing and distribution of Bio-Ethanol
- 4) Power plant for electricity generation and power for sale
- 5) Trading, rental and development of real estate
- 6) Manufacturing and distribution of fertilizer

These Group consolidated and company financial statements were authorised for issue by the Board of Directors on 23 February 2015.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis for preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The area involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New financial reporting standards and revised financial reporting standards

1) Revised accounting standards which are effective on 1 January 2014 and are relevant to the Group :

TAS 1 (Revised 2012)	Presentation of financial statements
TAS 7 (Revised 2012)	Statement of cash flows
TAS 12 (Revised 2012)	Income taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee benefits
TAS 21 (Revised 2012)	The effects of changes in foreign exchange rates
TAS 24 (Revised 2012)	Related party disclosures
TAS 28 (Revised 2012)	Investments in associates
TAS 31 (Revised 2012)	Interest in joint ventures
TAS 34 (Revised 2012)	Interim financial reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible assets
TFRS 2 (Revised 2012)	Share-based payment
TFRS 3 (Revised 2012)	Business combinations
TFRS 5 (Revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (Revised 2012)	Operating segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

TAS 1 (revised 2012) clarifies that conversion features that are at the holder's discretion do not impact the classification of the liability component of the convertible instrument. TAS 1 also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This standard has no impact to the Group.

TAS 7 (revised 2012) clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities. The Group's management assessed that the revised standard has no material impact to the Group's operations.

TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to TAS 12 (revised 2012). This standard has no impact to the Group.

TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with TAS 17's general principles. This standard has no impact to the Group.

TAS 18 (revised 2012) removes the appendix to TAS 18. This standard has no impact to the Group.

TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19. The Group's management assessed that the revised standard has no impact to the Group's operations.

TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively effective for the period begins on or after 1 January 2011. The Group's management assessed that the revised standard has no impact to the Group's operations.

TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties. This standard has no impact to the Group.

TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the standard requires this to be adjusted retrospectively. An entity losses of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively effectively for the period begins on or after 1 Jan 2011. This standard has no impact to the Group.

TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if

significant), and the need to update relevant information from the most recent annual report. This standard has no impact to the Group.

TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments. This standard has no impact to the Group.

TAS 38 (revised 2012) Clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. The Group's management assessed that the revised standard has no impact to the Group's operations.

TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation. The management is currently assessing the impact of applying this standard.

TFRS 3(revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in TFRS 3 (revised 2012) also applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards. This standard has no impact to the Group.

TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires. This standard has no impact to the Group.

TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker. This standard has no impact to the Group.

TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate. This interpretation has no impact to the Group.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of TFRIC 4.

TFRIC 5 provide guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor's right to access the assets is restricted. TFRIC 5 is not relevant to the Group's operations.

TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. TFRIC 7 is not relevant to the Group's operations.

TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill. This interpretation has no impact to the Group.

TFRIC 12 applies to public-to-private service concession arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. TFRIC12 is not relevant to the Group's operations.

TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values. TFRIC 13 is not relevant to the Group's operations.

TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable. This interpretation has no impact to the Group.

TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets. This interpretation has no impact to the Group.

TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease. This interpretation has no impact to the Group.

TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS 17 "Leases". The accounting shall reflect the substance of the arrangement. This interpretation has no impact to the Group.

TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements. This interpretation has no impact to the Group.

TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS 38 "Intangible Assets". This interpretation has no impact to the Group.

2) New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which are expected to have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interest in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. The Group is yet to assess the full impact of the amendments.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The Group is yet to assess the full impact of the amendments.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The Group is yet to assess the full impact of the amendments.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. This standard has no impact to the Group.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard has no impact to the Group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the group (The group is yet to assess the full impact of the amendments.)

TFRIC 14 (Revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

TFRIC 20 (Revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. This standard has no impact to the group (The group is yet to assess the full impact of the amendments).

b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period

TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants & disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (UŠUĐŠJ 2557)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

3) New financial reporting standard which is effective on 1 January 2016.

TFRS 4 (revised 2014)	Insurance contracts
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TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

2.3 Investment in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations (except the business combination under common control which uses the similar to pooling of interest method of accounting. The consideration transferred for this method of a subsidiary is the net book value of the asset transferred only on a proportion under the common control). The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition- by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Baht, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

2.5 Cash and cash equivalents

In the Consolidated and Company statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.6 Trade and farmer receivables

Trade receivables are recognised initially at the original invoice amount and subsequently measured at the remaining amount less allowance for doubtful accounts based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivables and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statements of comprehensive income.

Farmer receivables are stated at the net realisable value. Allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of merchandise inventories is determined by first-in, first-out method and cost of finished goods and factory supplies are determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Assets held for sales

Assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.9 Other investments

Investments in non-marketable equity securities other than investments in subsidiaries are classified into general investments which are carried at cost less impairment (if any).

Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

A test for impairment by the Group is carried out when there is a factor indicating that such investment might be impaired. If the carrying value of the investment is lower than its recoverable amount, an impairment loss is charged to the statements of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statements of income.

When disposing part of the Group's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined from the weighted average carrying amount of the total holding of the investment.

2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated on the straight-line method to allocate their cost to their residual values over their estimated useful lives. The estimated useful life is as follows:

Building	10 years
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Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.11 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has the obligation to do so.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Land improvements	5 - 10 years
Building and buildings improvement	5 - 20 years
Machinery and tooling	7 - 10 years
Agricultural equipment and tooling	5 years
Furniture, fixtures and office equipment	5 years
Motor vehicles	5 - 10 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statements of income.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. All other borrowing costs are recognized as expenses.

2.12 Intangible assets

2.12.1 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is calculated using the straight-line method to allocate the cost of computer software over their 3-5 years useful lives.

2.12.2 Other intangible assets

Expenditure on acquired patents, trademarks or licenses is capitalised and amortised using the straight-line method over their useful lives, generally over 5 years. Intangible assets are not revalued.

2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its

recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Leases - where a Group is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised 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. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Leases that do not transfer a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.15 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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 realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

2.17 Employee benefits

The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of employee benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of legal severance pay is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by

discounting the estimated future cash outflows using interest rates of market yield of government bonds that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period. A defined contribution plan, the Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.18 Share-based payment

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, in separate financial statement undertakings, with a corresponding credit to equity.

2.19 Provisions

Provisions excluding employee benefits are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the compensation of costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate the Group.

2.21 Discount on business combination under common control

The Company has recorded subsidiaries assets by using similar to pooling interest method from the acquisition and entired business transfer of subsidiaries under common control. Discount on business combination under common control is presented in other components in shareholder's equity in the statement of financial position as at the business combination date by recording the difference between the purchased price and the net book value on the purchased date.

2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is recognised when services are rendered.

Revenue from factoring is recognised on an accrual basis.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

2.23 Dividend distribution

Dividend distribution is recorded in the consolidated and company financial statements in the period in which they are approved by the shareholders meetings of the Company and subsidiaries.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

2.25 Financial assets and liabilities

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, trade and other receivables, trade and other payables, investments and loan receivables and payables. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

Derivatives are invested by the Group for hedging the risk from the fluctuation of exchange rates or prices of goods by determining the future exchange rates or prices of goods relating to assets or liabilities will be derived or paid. Gain or loss on the investment in derivatives is recorded in the statement of income when the contracts are settled or contractual terms are expired.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including, fair value interest rate risk, cash flow interest rate risk and price risk) and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. The Group is able to raise long-term borrowings at floating rates.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

3.1.4 Sugar cane and sugar prices fluctuation risk

The sugar cane and sugar industry in Thailand is an industry under the supervision of a government agency, the Cane and Sugar Board, under the Cane and Sugar Act B.E. 2527, which imposes the following restrictions:

1. A quota system for the allocation of sugar distribution channels, as follows:
 - 1.1 Quota A for the sugar produced for domestic consumption,
 - 1.2 Quota B for the raw sugar identified by the Cane and Sugar Board as for processing by sugar mills for delivery to Thailand Cane and Sugar Corporation ("TCSC") for distribution. This quota is used as a base for setting the standard price of raw sugar exports to calculate the income of the system,
 - 1.3 Quota C for the sugar processed by sugar mills for export sales or as raw materials for the manufacture of products to be exported.
2. Allocation of net income generated by the system between the cane farmers and the sugar mills under a benefit sharing arrangement, whereby cane farmers receive 70% of the income, which is the cane price, and the sugar mills receive 30%, which is the return on production.

The net income of the cane and sugar system is calculated based on the income from the domestic sugar distribution (Quota A) and income from exports (Quota B and Quota C: using the average price of the sugar in Quota B and the exchange rate of the actual sales made by TCSC as the base for calculation of export sales income) less the expenses of the Cane and Sugar Industry. Currently, the ratio of exported sugar to domestically sold sugar is approximately 70:30.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception. Gain or loss is recognised in the statement of comprehensive income when the contracts are settled or expired.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 31.

4 Change in presentation and error correction

Change in presentation

Certain amounts in the statement of financial position as at 1 January 2013 and 31 December 2013 have been reclassified to conform to the current year's classification but without effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated			
	As at 1 January 2013		As at 31 December 2013	
	As reclassified	As previously reported (After Error correction)	As reclassified	As previously reported (After Error correction)
Other current assets	157,891,408	126,610,395	102,194,869	48,755,419
Other non-current assets	587,455,053	618,736,066	151,036,489	204,475,939
Trade and other payables	4,430,582,736	4,264,608,823	3,605,889,373	3,597,891,672
Other current liabilities	134,733,941	300,707,854	94,447,166	102,464,867

(Unit: Baht)

	Company			
	As at 1 January 2013		As at 31 December 2013	
	As reclassified	As previously reported (After Error correction)	As reclassified	As previously reported (After Error correction)
Other current assets	95,842,489	64,561,476	65,976,549	12,537,099
Other non-current assets	378,371,311	409,652,324	122,476,945	175,916,395
Trade and other payables	3,618,053,089	3,454,190,640	3,008,894,891	3,002,574,171
Other current liabilities	82,694,588	246,557,037	38,165,040	44,485,760

Error correction

The Company had corrected error in respect of interest expense recognition from finance lease liabilities whereby the accrued interest expense was understated. The comparative financial statements have been restated accordingly.

The effect to the statement of financial position as at 1 January 2013 and 31 December 2013 are as follows;

	Consolidated					
	At 1 January 2013			At 31 December 2013		
	Originally stated Baht	Adjustments Baht	Restated Baht	Originally stated Baht	Adjustments Baht	Restated Baht
Trade and other receivables	1,473,905,141	-	1,473,905,141	1,100,166,008	(56,912,316)	1,043,253,692
Deferred tax assets	184,209,375	6,829,478	191,038,853	174,317,572	18,173,658	192,491,230
Trade and other payables	4,230,461,433	34,147,390	4,264,608,823	3,563,915,695	33,955,977	3,597,871,672
Retained earnings	1,753,814,390	(27,317,912)	1,726,496,478	2,910,159,146	(72,694,635)	2,837,464,511

	Company					
	At 1 January 2013			At 31 December 2013		
	Originally stated Baht	Adjustments Baht	Restated Baht	Originally stated Baht	Adjustments Baht	Restated Baht
Trade and other receivables	1,303,902,622	-	1,303,902,622	724,802,831	(56,912,316)	667,890,515
Deferred tax assets	163,133,322	6,829,478	169,962,800	155,010,898	18,173,658	173,184,556
Trade and other payables	3,420,043,250	34,147,390	3,454,190,640	2,968,618,194	33,955,977	3,002,574,171
Retained earnings	1,971,055,608	(27,317,912)	1,943,737,696	2,663,508,131	(72,694,635)	2,590,813,496

The effects to the income statements and statements of comprehensive income for the year ended 31 December 2013 are as follows;

	Consolidated			Company		
	Originally stated Baht	Adjustments Baht	Restated Baht	Originally stated Baht	Adjustments Baht	Restated Baht
Increase in financial costs	439,143,627	56,720,904	495,864,531	330,740,756	56,720,904	387,461,660
Decrease in income tax	218,053,280	(11,344,181)	206,709,099	193,014,325	(11,344,181)	181,670,144
Decrease in profit	1,263,842,129	(45,376,723)	1,218,465,406	774,609,481	(45,376,723)	729,232,758
Decrease in total comprehensive income	1,195,084,756	(45,376,723)	1,149,708,033	731,192,523	(45,376,723)	685,815,800
Decrease in basic earnings per share	0.39	(0.02)	0.37	0.24	(0.02)	0.22
Decrease in diluted earnings per share	0.39	(0.02)	0.37	0.24	(0.02)	0.22

5 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Allowance for doubtful accounts

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

The Group has policy to set up allowance for doubtful accounts based on period of overdue balance. Allowance for doubtful accounts is provided in full amount (after deducting appraisal value of collateral).

5.2 Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's Property, plant and equipment and intangible assets. Management will revise the depreciation or amortisation charge where useful lives and residual values are different to the previously estimation, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

5.3 Provision for employee benefits

The present value of the provision for employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefits obligations. In determining the appropriate discount rate, the Group considers the interest rate of government bonds that have terms to maturity approximating the terms of the related employee benefits liability.

Other key assumptions for the provision for employee benefits are based on current market conditions.

6 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

7 Operating segments

Reporting segment is referred from internal report of the Group which is reviewed by Chief Operating Decision Maker (CODM). CODM is Chief Executive Officer who makes decisions about resource allocation and assesses the segment performance.

Chief Operating Decision Maker considers the reporting segment as below:-

- Manufacturing and distribution of sugar and molasses
- Manufacturing and distribution of bleached bagasse pulp
- Manufacturing and distribution of Bio-Ethanol
- Power plant for electricity generation and power for sale

Chief Operating Decision Maker considers performance of reporting segments from profit before income tax expenses.

Unallocated costs mainly represent corporate expenses.

Operating segments of the Group are as follows:

Consolidated

For the years ended 31 December 2014 and 2013

Unit : Million Baht

	Sugar business		Paper business		Alcohol business		Power plant business		Others		Total		Eliminated entries		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from sales and services																
- Local	7,432	9,403	424	320	1,750	1,442	553	151	3	1	10,162	11,317	(958)	(3,078)	9,204	8,239
- Overseas	9,742	8,525	1,174	1,176	-	112	-	-	-	-	10,916	9,813	-	-	10,916	9,813
Total	17,174	17,928	1,598	1,496	1,750	1,554	553	151	3	1	21,078	21,130	(958)	(3,078)	20,120	18,052
Gain (loss) from operating segments	4,906	4,195	403	342	775	564	329	93	4	14	6,417	5,208	(943)	(154)	5,474	5,054
Administrative and selling expenses															(3,600)	(3,133)
Finance costs															(415)	(496)
Income tax expense															(93)	(207)
Net profit for the periods															1,366	1,218
As at 31 December 2014 and 2013																
Inventories, net	4,589	4,226	201	254	67	104	17	12	-	2	4,874	4,598	(28)	(36)	4,846	4,562
Property, plant and Equipments, net	4,230	3,639	2,740	2,954	433	500	2,645	1,692	16	15	10,064	8,800	-	-	10,064	8,800
Other assets, net	12,102	10,119	87	145	599	747	645	192	418	747	13,851	11,950	(10,071)	(9,182)	3,780	2,768
Total assets	20,921	17,984	3,028	3,353	1,099	1,351	3,307	1,896	434	764	28,789	25,348	(10,099)	(9,218)	18,690	16,130

8 Cash and cash equivalents

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Cash on hand	2,685,641	2,698,583	950,000	950,000
Bank deposits	825,382,357	413,607,469	564,720,046	270,274,894
	828,067,998	416,306,052	565,670,046	271,224,894

As at 31 December 2014, the weighted average effective interest rate of deposits held at call with banks was 0.50% per annum (2013: 0.50% per annum).

9 Trade and other receivables, net

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade receivables - related parties				
Current	-	-	-	-
Overdue:				
Up to 3 months	248,960	3,105	37,240,641	60,164,520
Up to 3 months less than 6 months	-	-	-	1,116,003
Up to 6 months less than 12 months	-	-	-	1,872,453
Up to 12 months	-	85,163,173	-	-
	248,960	85,166,278	37,240,641	63,152,976
<u>Less</u> Allowance for doubtful accounts	-	(80,905,014)	-	-
Total trade receivables - related parties, net	248,960	4,261,264	37,240,641	63,152,976
Trade receivables - third parties				
Current	564,132,764	480,429,739	166,399,824	178,845,466
Overdue:				
Up to 3 months	285,797,907	233,788,288	164,434,104	110,897,435
Up to 3 months less than 6 months	26,000	1,783,954	-	1,512,174
Up to 12 months	412,620	-	331,440	-
	850,369,291	716,001,981	331,165,368	291,255,075
<u>Less</u> Allowance for doubtful accounts	(331,440)	-	(331,440)	-
Total trade receivables - third parties, net	850,037,851	716,001,981	330,833,928	291,255,075
Total trade receivables, net	850,286,811	720,263,245	368,074,569	354,408,051

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Other receivables				
Advance payments	41,830,975	270,089,506	30,505,726	211,930,758
Prepaid expenses - related parties	3,412,226	3,412,498	3,312,500	3,312,500
Prepaid expenses	404,610,437	14,033,462	278,906,557	3,971,019
Accrued income - related parties	-	-	686,774	47,078,074
Accrued income	1,046,146	194,434	1,031,343	3,190
Other receivables - related parties	61,071,620	2,407,898	66,415,793	23,872,331
Other receivables	84,011,504	32,852,649	11,696,720	23,314,592
Total other receivables	595,982,908	322,990,447	392,555,413	313,482,464
otal trade and other receivables, net	1,446,269,719	1,043,253,692	760,629,982	667,890,515

10 Farmer receivables, net

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Farmer receivables	1,125,825,421	1,131,253,029	802,826,004	740,360,486
<u>Less</u> Discount from transfer right of farmer receivables	(321,640,241)	(345,509,466)	(321,640,241)	(345,509,466)
Allowance for doubtful account	(285,031,038)	(205,270,000)	(138,078,039)	(54,800,000)
	519,154,142	580,473,563	343,107,724	340,051,020

Outstanding farmer receivables can be analysed as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
Season 2015/2016	206,107,908	-	115,573,369	-
Season 2014/2015	163,610,399	109,329,484	127,083,131	40,504,870
Season 2013/2014	2,169,821	209,208,740	978,293	90,478,227
Season 2012/2013	9,147,803	21,231,770	8,718,897	20,005,005
Season 2011/2012	189,141,967	205,608,648	188,964,708	204,621,354
Season 2010/2011	-	113,504	-	-
Season 2009/2010	717,656	938,781	-	-
Season 2008/2009	117,450,493	137,404,455	117,450,493	137,404,455
Before season 2008/2009	437,479,374	447,417,647	244,057,113	247,346,575
	1,125,825,421	1,131,253,029	802,826,004	740,360,486
<u>Less</u> Discount from transfer right of farmer receivables	(321,640,241)	(345,509,466)	(321,640,241)	(345,509,466)
Allowance for doubtful account	(285,031,038)	(205,270,000)	(138,078,039)	(54,800,000)
	519,154,142	580,473,563	343,107,724	340,051,020

Outstanding farmer receivables which purchased from a related party can be analysed as follows:

	Consolidated and Company	
	2014 Baht	2013 Baht
Season 2011/2012	187,863,082	208,673,000
Season 2008/2009	117,450,493	137,404,455
Before season 2008/2009	244,057,113	247,346,575
	549,370,688	593,424,030
<u>Less</u> Discount from transfer right of farmer receivables	(321,640,241)	(345,509,466)
Allowance for doubtful account	(136,976,413)	(30,600,000)
	90,754,034	217,314,564

11 Inventories, net

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Finished goods	4,422,660,578	3,926,639,086	3,143,306,127	3,054,377,027
Merchandise inventories	48,692,184	57,359,422	29,362,667	34,155,969
Work in process	75,863,354	94,341,778	62,481,902	67,672,560
Raw materials	3,464,603	2,655,547	-	-
Factory supplies	335,328,271	480,556,534	89,425,867	226,774,162
	4,886,008,990	4,561,552,367	3,324,576,563	3,382,979,718
<u>Less</u> Allowance for diminution in value of inventories	(40,310,598)	-	(5,526,220)	-
	4,845,698,392	4,561,552,367	3,319,050,343	3,382,979,718

During the year 2014, the cost of inventories for the consolidated financial statements recognised as costs of sales and services amounting to Baht 14,590.32 million (2013: Baht 13,520.38 million) and for the company financial statements amounting to Baht 10,641.89 million (2013: Baht 11,204.90 million).

12 Investment in subsidiaries

Movements of investments in subsidiaries are as follows:

	Company	
	2014 Baht	2013 Baht
Opening net book amount	6,229,941,167	6,226,970,275
Additions	939,999,400	2,970,892
Share-based payment transactions	1,768,478	-
Closing net book amount	7,171,709,045	6,229,941,167

Details of investments in subsidiaries as presented in the company financial statements are as follows:

Company's name	Paid-up capital		%Shareholding		Cost method		Dividend income	
	31 December 2014 Million Baht	31 December 2013 Million Baht	31 December 2014 Million Baht	31 December 2013 Million Baht	31 December 2014 Million Baht	31 December 2013 Million Baht	31 December 2014 Million Baht	31 December 2013 Million Baht
Thai Identity Sugar Factory Co., Ltd.	1,215	1,215	100	100	1,216	1,215	-	-
Permsin Pattana Co., Ltd.	5	5	100	100	699	699	336	-
Kaset Thai Bio Power Co., Ltd.	500	500	100	100	1,698	1,698	-	-
Environment Pulp & Paper Co., Ltd.	1,200	1,200	74	74	1,755	1,754	-	-
Ekarat Pattana Co., Ltd.	256	256	100	100	861	861	512	-
Subsirikaset Co., Ltd.	241	1	100	100	241	1	-	-
Thaiekaluck Power Co., Ltd.	350	1	100	100	350	1	-	-
Ruamphol Bio Power Co., Ltd.	350	1	100	100	350	1	-	-
KTIS Biogas Power Co., Ltd.	1	-	100	-	1	-	-	-
KTIS Bio Energy Co., Ltd.	1	-	100	-	1	-	-	-
Kaset Thai Fertilizer Co., Ltd.	35	15	-	-	-	-	-	-
Total investments in subsidiaries					7,172	6,230	848	-

During the year ended 31 December 2014, the Company recognizes share-based payment transactions when services from its subsidiaries' employees are rendered. The Company recorded investment in subsidiaries amounting to Baht 1.77 million.

Changes in investments in subsidiaries for the year ended 31 December 2014 comprised of:

Subsirikaset Co., Ltd.

On 25 April 2014, Subsirikaset Co., Ltd., a subsidiary, registered the increase in the share capital from Baht 1 million (10,000 ordinary shares, Baht 100 par value) to Baht 241 million (2,410,000 ordinary shares, Baht 100 par value). The Company paid for the increased shares totalling Baht 240 million.

Thaiekaluck Power Co., Ltd.

On 7 July 2014, Thaiekaluck Power Co., Ltd., a subsidiary, registered the increase in the share capital from Baht 1 million (10,000 ordinary shares, Baht 100 par value) to Baht 350 million (3,500,000 ordinary shares, Baht 100 par value). The Company paid for the increased shares totalling Baht 349 million.

Ruamphol Bio Power Co., Ltd.

On 8 July 2014, Ruamphol Bio Power Co., Ltd., a subsidiary, registered the increase in the share capital from Baht 1 million (10,000 ordinary shares, Baht 100 par value) to Baht 350 million (3,500,000 ordinary shares, Baht 100 par value). The Company paid for the increased shares totalling Baht 349 million.

KTIS Biogas Power Co., Ltd.

On 11 September 2014, the Company acquired ordinary shares of KTIS Biogas Power Co., Ltd., a newly established company, of 9,997 shares at a par value of Baht 100, totalling Baht 999,700, representing 100% of shareholding.

KTIS Bio Energy Co., Ltd.

On 11 September 2014, the Company acquired ordinary shares of KTIS Bio Energy Co., Ltd., a newly established company, of 9,997 shares at a par value of Baht 100, totalling Baht 999,700, representing 100% of shareholding.

Kaset Thai Fertilizer Co., Ltd.

On 11 November 2014, Kaset Thai Fertilizer Co., Ltd., a subsidiary of the Group, registered the increase in the share capital from Baht 15 million (150,000 ordinary shares, Baht 100 par value) to Baht 35 million (350,000 ordinary shares, Baht 100 par value). Ekarat Pattana Co., Ltd., a subsidiary, paid for the increased shares totalling Baht 20 million.

All subsidiaries included in the preparation of the consolidated financial statements are investments in ordinary shares of subsidiaries as follows:

	Percentage of Shareholding		Country of Incorporation	Nature of Business
	2014 %	2013 %		
Subsidiaries in which the Company holds shares				
Thai Identity Sugar Factory Co., Ltd.	100	100	Thailand	Manufacturing and distribution of sugar and molasses
Permsin Pattana Co., Ltd.	100	100	Thailand	Investment in other companies
Kaset Thai Bio Power Co., Ltd.	100	100	Thailand	Production and distribution of electricity
Environment Pulp & Paper Co., Ltd.	74	74	Thailand	Manufacturing and distribution of bleached bagasse pulp
Ekarat Pattana Co., Ltd.	100	100	Thailand	Manufacturing and distribution of Bio-Ethanol
Subsirikaset Co., Ltd.	100	100	Thailand	Trading, rental and development of real estate
Thaiekaluck Power Co., Ltd.	100	100	Thailand	Production and distribution of electricity
Ruamphol Bio Power Co., Ltd.	100	100	Thailand	Production and distribution of electricity
KTIS Biogas Power Co., Ltd.	100	-	Thailand	Production and distribution of electricity
KTIS Bio Energy Co., Ltd.	100	-	Thailand	Production and distribution of Bio-Ethanol and electricity
Subsidiaries which the Company holds shares through Permsin Pattana Co., Ltd.				
Environment Pulp & Paper Co., Ltd.	26	26	Thailand	Manufacturing and distribution of bleached bagasse pulp
Lopburi International Sugar Co., Ltd.	100	100	Thailand	Manufacturing and distribution of sugar and molasses
Lopburi Bio Power Co., Ltd.	100	100	Thailand	Production and distribution of electricity
Lopburi Bio Ethanol Co., Ltd.	100	100	Thailand	Manufacturing and distribution of Bio-Ethanol
Subsidiary which the Company holds shares indirectly through Ekarat Pattana Co., Ltd.				
Kaset Thai Fertilizer Co., Ltd.	100	100	Thailand	Manufacturing and distribution of bio-fertilizer

Details of surplus from business combination under common control as at 31 December 2014 are as follows:

	Consolidated			
	Net asset (Book value) Restated Baht	Purchased by parent Baht	Purchased via subsidiaries Baht	Surplus from business combination under common control Restated Baht
Ruampol Enterprise Co., Ltd.	350,297,798	923,515,504	-	(573,217,706)
Thai Identity Sugar Factory Co., Ltd.	184,628,281	1,214,999,400	-	(1,030,371,119)
Permsin Pattana Co., Ltd.	454,488,873	698,904,543	-	(244,415,670)
Kaset Thai Bio Power Co., Ltd.	497,866,378	1,698,219,093	-	(1,200,352,715)
Environment Pulp & Paper Co., Ltd.	1,495,845,281	1,754,191,582	123,896,000	(382,242,301)
Ekarat Pattana Co., Ltd.	714,090,144	860,655,657	-	(146,565,513)
	3,697,216,755	7,150,485,779	123,896,000	(3,577,165,024)

	Company			
	Net asset (Book value) Restated Baht	Purchased by parent Baht	Purchased via subsidiaries Baht	Surplus from business combination under common control Restated Baht
Ruampol Enterprise Co., Ltd.	350,297,798	923,515,504	-	(573,217,706)

13 Investment properties, net

Detail movement of investment properties are as follows:

	Consolidated		
	Land Baht	Buildings Baht	Total Baht
For the year ended 31 December 2013			
Opening net book amount	-	-	-
Additions	274,955,868	1,569,739	276,525,607
Depreciation	-	(129,450)	(129,450)
Impairment charge	(6,509,783)	-	(6,509,783)
Closing net book amount	268,446,085	1,440,289	269,886,374
As at 31 December 2013			
Cost	274,955,868	1,569,739	276,525,607
<u>Less</u> Accumulated depreciation	-	(129,450)	(129,450)
<u>Less</u> Provision for impairment	(6,509,783)	-	(6,509,783)
Net book amount	268,446,085	1,440,289	269,886,374
Fair value			285,000,000
For the year ended 31 December 2014			
Opening net book amount	268,446,085	1,440,289	269,886,374
Addition	42,906,032	-	42,906,032
Depreciation	-	(156,974)	(156,974)
Impairment charge	(8,411,554)	-	(8,411,554)
Closing net book amount	302,940,563	1,283,315	304,223,878
As at 31 December 2014			
Cost	317,861,900	1,569,739	319,431,639
<u>Less</u> Accumulated depreciation	-	(286,424)	(286,424)
<u>Less</u> Provision for impairment	(14,921,337)	-	(14,921,337)
Net book amount	302,940,563	1,283,315	304,223,878
Fair value			384,650,000

For the year ended 31 December 2014

Opening net book amount	-
Addition	24,910,386
Impairment charge	(8,411,554)
Closing net book amount	<u>16,498,832</u>

As at 31 December 2014

Cost	24,910,386
<u>Less</u> Provision for impairment	(8,411,554)
Net book amount	<u>16,498,832</u>
Fair value	<u>23,400,000</u>

The fair value is measured by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued by using cost method and comparative method.

As at 31 December 2014 and 2013, the Group has not generated any revenue from investment properties yet.

14 Property, plant and equipment, net

	Consolidated							
	Land and land improvement Baht	Building and Building improvement Baht	Machinery, equipment and tooling Baht	Agricultural equipment and tooling Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installation Baht	Total Baht
As at 1 January 2013								
Cost	203,975,674	1,332,595,080	6,522,662,768	340,864,719	115,965,683	816,848,194	2,144,208,445	11,477,120,563
Less Accumulated depreciation	(29,580,036)	(351,517,917)	(2,872,211,593)	(224,752,942)	(67,512,234)	(358,246,486)	-	(3,903,821,208)
Net book amount	174,395,638	981,077,163	3,650,451,175	116,111,777	48,453,449	458,601,708	2,144,208,445	7,573,299,355
For the year ended								
31 December 2013								
Opening net book amount	174,395,638	981,077,163	3,650,451,175	116,111,777	48,453,449	458,601,708	2,144,208,445	7,573,299,355
Additions	-	29,485,352	97,873,119	38,273,357	20,121,772	103,967,486	1,568,991,944	1,858,713,030
Transfer in (out)	29,282,710	342,822,626	1,497,490,029	1,388,129	1,222,189	(17,092,095)	(1,855,113,588)	-
Disposals, net	(450,447)	-	(1,245,604)	(546,982)	(844,661)	(2,674,422)	-	(5,762,116)
Reclassification	-	-	-	-	(108,388)	-	-	(108,388)
Depreciation charges	(8,859,365)	(56,510,067)	(424,738,472)	(49,082,678)	(17,460,367)	(69,451,936)	-	(626,102,885)
Closing net book amount	194,368,536	1,296,875,074	4,819,830,247	106,143,603	51,383,994	473,350,741	1,858,086,801	8,800,038,996
As at 1 December 2013								
Cost	232,807,938	1,704,903,058	8,117,411,697	378,730,652	135,456,598	889,815,161	1,858,086,801	13,317,211,905
Less Accumulated depreciation	(38,439,402)	(408,027,984)	(3,297,581,450)	(272,587,049)	(84,072,604)	(416,464,420)	-	(4,517,172,909)
Net book amount	194,368,536	1,296,875,074	4,819,830,247	106,143,603	51,383,994	473,350,741	1,858,086,801	8,800,038,996

	Consolidated							
	Land and land improvement Baht	Building and Building improvement Baht	Machinery, equipment and tooling Baht	Agricultural equipment and tooling Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installation Baht	Total Baht
For the year ended								
31 December 2014								
Opening net book amount	194,368,536	1,296,875,074	4,819,830,247	106,143,603	51,383,994	473,350,741	1,858,086,801	8,800,038,996
Additions	11,770	11,957,588	121,499,936	37,100,327	12,317,783	42,157,753	2,082,770,752	2,307,815,909
Transfer in (out)	63,696,423	117,797,018	854,286,580	28,701,735	23,407,020	-	(1,087,888,776)	-
Disposals, net	-	-	-	(191,482)	(62,953)	(6,438,937)	-	(6,693,372)
Write-off, net	-	-	(8,678,941)	(334,493)	(21,011)	(7)	(112,648,564)	(121,683,016)
Reclassification	-	(102,673,157)	-	-	-	-	(1,000,000)	(103,673,157)
Depreciation charges	(16,045,450)	(73,937,867)	(583,917,416)	(44,910,146)	(23,148,356)	(69,910,233)	-	(811,869,468)
Closing net book amount	242,031,279	1,250,018,656	5,203,020,406	126,509,544	63,876,477	439,159,317	2,739,320,213	10,063,935,892
As at 31 December 2014								
Cost								
Less Accumulated depreciation	296,516,131	1,730,746,109	9,072,972,174	398,086,283	170,958,475	912,818,289	2,739,320,213	15,321,417,674
Less Allowance for impairment	(54,484,852)	(480,727,453)	(3,869,951,768)	(271,576,739)	(107,081,998)	(473,658,972)	-	(5,257,481,782)
Net book amount	242,031,279	1,250,018,656	5,203,020,406	126,509,544	63,876,477	439,159,317	2,739,320,213	10,063,935,892

	Company							Total Baht
	Land and land improvement Baht	Building and Building Improvement Baht	Machinery, equipment and tooling Baht	Agricultural equipment and tooling Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installation Baht	
As at 1 January 2013								
Cost	25,776,259	335,026,395	1,125,335,303	155,525,555	35,577,597	292,586,705	484,205,661	2,454,033,475
Less Accumulated depreciation	(443,932)	(50,884,858)	(263,363,098)	(83,919,192)	(13,490,995)	(42,178,753)	-	(454,280,828)
Net book amount	25,332,327	284,141,537	861,972,205	71,606,363	22,086,602	250,407,952	484,205,661	1,999,752,647
For the year ended								
31 December 2013								
Opening net book amount	25,332,327	284,141,537	861,972,205	71,606,363	22,086,602	250,407,952	484,205,661	1,999,752,647
Additions	-	24,832,729	80,650,783	25,892,642	9,895,618	13,494,879	670,872,392	825,639,043
Transfer in (out)	13,167,297	7,451,254	293,347,633	1,385,000	1,015,470	-	(316,366,654)	-
Disposals, net	-	-	-	(3,611)	(61,167)	(1,680)	-	(66,458)
Depreciation charges	(1,531,163)	(19,156,883)	(148,065,776)	(33,672,752)	(8,103,637)	(34,955,660)	-	(245,485,871)
Closing net book amount	36,968,461	297,268,637	1,087,904,845	65,207,642	24,832,886	228,945,491	838,711,399	2,579,839,361
As at 31 December 2013								
Cost	38,943,556	367,310,378	1,499,333,719	182,771,420	46,353,964	306,039,583	838,711,399	3,279,464,019
Less Accumulated depreciation	(1,975,095)	(70,041,741)	(411,428,874)	(117,563,778)	(21,521,078)	(77,094,092)	-	(699,624,658)
Net book amount	36,968,461	297,268,637	1,087,904,845	65,207,642	24,832,886	228,945,491	838,711,399	2,579,839,361

	Company							
	Land and land improvement Baht	Building and Building improvement Baht	Machinery, equipment and tooling Baht	Agricultural equipment and tooling Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installation Baht	Total Baht
For the year ended 31 December 2014								
Opening net book amount	36,968,461	297,268,637	1,087,904,845	65,207,642	24,832,886	228,945,491	838,711,399	2,579,839,361
Additions	-	9,485,825	107,187,052	26,198,976	6,992,273	2,526,292	718,624,514	871,014,932
Transfer in (out)	5,613,825	90,266,765	800,959,935	3,750,000	114,860	-	(900,705,385)	-
Disposals, net	-	-	-	(57,615)	(60,496)	(6)	-	(118,117)
Write-off, net	-	-	-	-	-	-	(29,502,662)	(29,502,662)
Depreciation charges	(2,054,750)	(23,761,105)	(207,410,691)	(24,459,412)	(8,451,710)	(32,746,765)	-	(298,884,433)
Closing net book amount	40,527,536	373,260,122	1,788,641,141	70,639,591	23,427,813	198,725,012	627,127,866	3,122,349,081
As at 31 December 2014								
Cost	44,557,381	467,062,968	2,407,480,706	209,204,181	53,259,954	307,169,085	627,127,866	4,115,862,141
Less Accumulated depreciation	(4,029,845)	(93,802,846)	(618,839,565)	(138,564,590)	(29,832,141)	(108,444,073)	-	(993,513,060)
Net book amount	40,527,536	373,260,122	1,788,641,141	70,639,591	23,427,813	198,725,012	627,127,866	3,122,349,081

Consolidated financial statements

As at 31 December 2014, the Group has construction in progress amounting to Baht 521.27 million (2013 : Baht 521.27 million) which is in process of approval license from the Ministry of Industry.

The Group's depreciation expense of Baht 740.10 million (2013: Baht 501.97 million) has been charged in "costs of sales and services" and of Baht 71.77 million (2013: Baht 124.13 million) in "administrative expenses".

As at 31 December 2014, the Group has plant and equipment which are fully depreciated, are still utilized cost amounting to Baht 2,033.32 million (2013: Baht 2,029.35 million).

As at 31 December 2014, financial institution borrowings are secured on properties at the net book value of Baht 3,167.86 million (2013: Baht 3,490.17 million) (Note 17).

Borrowing costs of Baht 23.16 million (2013: Baht 31.79 million), arising from financing specifically entered into for the construction of a new factory and machinery, were capitalised during the year and are included in 'Additions' with capitalisation rate of 1.82% - 5.50% (2013 : 2.34% - 6.00%).

Company financial statements

The Company's depreciation expense of Baht 253.42 million (2013: Baht 188.32 million) has been charged in "costs of sales and services" and of Baht 45.46 million (2013 : Baht 57.17 million) in "administrative expenses".

As at 31 December 2014, the Company has plant and equipment which are fully depreciated, are still utilized cost amounting to Baht 116.36 million (2013: Baht 97.49 million).

As at 31 December 2014, financial institution borrowings are secured on properties at the net book value of Baht 485.22 million (2013: Baht 579.66 million) (Note 17).

Leased assets included above, where the Company is a lessee under a finance lease, comprise plant and machinery:

	Consolidated and Company	
	2014 Baht	2013 Baht
Cost of capitalised finance leases	206,993,372	206,993,372
<u>Less</u> Accumulated depreciation	(48,750,148)	(28,273,964)
Net book amount	158,243,224	178,719,408

15 Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and using a principal tax rate of 20%. The deferred income taxes are temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised for all deferred income tax assets to the extent that the realisation of the related tax benefit through future taxable profits is probable.

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

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Deferred tax assets:				
Deferred tax asset to be recovered				
within 12 months	4,400,647	3,313,998	1,237,677	1,086,967
Deferred tax asset to be recovered				
more than 12 months	216,465,150	199,648,582	185,632,870	176,941,432
	220,865,797	202,962,580	186,870,547	178,028,399
หนี้สินภาษีเงินได้รอการตัดบัญชี				
Deferred tax liabilities to be settled				
within 12 months	-	-	-	-
Deferred tax liability to be settled after				
more than 12 months	(18,258,202)	(10,471,350)	(9,687,687)	(4,843,843)
	(18,258,202)	(10,471,350)	(9,687,687)	(4,843,843)
deferred tax assets (net)	202,607,595	192,491,230	177,182,860	173,184,556

The gross movement and the deferred income tax account is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
At 1 January	192,491,230	191,038,853	173,184,556	169,962,800
Charged credited to profit or loss	5,741,387	(15,736,966)	1,686,718	(7,632,484)
Charged to other comprehensive income	4,374,978	17,189,343	2,311,586	10,854,240
At 31 December	202,607,595	192,491,230	177,182,860	173,184,556

The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated					
	1 January 2013 Baht	Recorded to profit or loss Baht	Recorded to other income Baht	31 December 2013 Baht	Recorded to profit or loss Baht	Recorded to other income Baht
Deferred tax assets						
Allowance for diminution in value of inventories	-	-	-	-	5,253,160	-
Impairment loss of investment property	-	1,301,957	-	1,301,957	1,682,310	-
Finance lease	144,515,960	3,128,895	-	147,644,855	3,022,599	-
Depreciation	-	-	-	-	126,904	-
Employee benefit obligations	46,522,893	(11,608,344)	17,189,343	52,103,892	3,354,745	4,374,978
Provision for decommissioning costs	-	1,911,876	-	1,911,876	88,521	-
	191,038,853	(5,265,616)	17,189,343	202,962,580	13,528,239	4,374,978
Deferred tax liabilities						
Depreciation	-	(10,471,350)	-	(10,471,350)	(7,786,852)	-
	-	(10,471,350)	-	(10,471,350)	(7,786,852)	-
Deferred tax assets, net	191,038,853	(15,736,966)	17,189,343	192,491,230	5,741,387	4,374,978
						202,607,595

Consolidated						
	1 January 2013 Baht	Recorded to profit or loss Baht	Recorded to other income Baht	31 December 2013 Baht	Recorded to profit or loss Baht	Recorded to other income Baht
Deferred tax assets						
Impairment loss of investment property	-	-	-	-	1,682,310	-
Finance lease	144,515,960	3,128,895	-	147,644,855	3,022,599	-
Depreciation	-	-	-	-	76,945	-
Employee benefit obligations	25,446,840	(5,917,536)	10,854,240	30,383,544	1,748,708	2,311,586
	169,962,800	(2,788,641)	10,854,240	178,028,399	6,530,562	2,311,586
Deferred tax liabilities						
Depreciation	-	(4,843,843)	-	(4,843,843)	(4,843,844)	-
	-	(4,843,843)	-	(4,843,843)	(4,843,844)	-
Deferred tax assets, net	169,962,800	(7,632,484)	10,854,240	173,184,556	1,686,718	2,311,586
						177,182,860

As at 31 December 2014 and 2013, the Group had brought-forward tax losses for which has not yet recognised as deferred tax assets totaling Baht 683.38 million and Baht 345.52 million, respectively, because assessed that the future taxable profits may not be sufficient to allow utilisation.

16 Trade and other payables

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade payables - related parties	27,140,677	711,580,249	30,113,494	904,797,564
Trade payables	2,039,657,728	2,270,306,883	1,663,679,611	1,702,163,546
Advance received from customers	269,458,526	93,958,901	182,548,203	84,762,771
Accrued expense for the Cane and Sugar Fund office	259,790,031	198,432,973	185,706,545	176,005,383
Estimation for final sugar cane price and other production expenses	19,632,808	18,660,918	-	-
Accrued expenses - related parties	97,724,319	87,944,093	50,742,310	53,702,030
Accrued expenses	191,172,211	185,331,565	113,695,178	86,217,225
Other payables - related parties	433,528	2,250,574	11,734,851	546,661
Other payables	127,890,636	37,423,217	838,001	699,711
	3,032,900,464	3,605,889,373	2,239,058,193	3,008,894,891

The Company and its subsidiaries purchased sugar cane for the production season 2014/2015, 2013/2014 and 2012/2013 using the initial sugar cane price for each production season with announced by the Cane and Sugar Board's. However, the management estimated that the final sugar cane prices will be higher than the initial sugar cane prices. Therefore, the Company and its subsidiaries recorded accounts payable - cane purchases and calculated cost of goods sold and inventories for the production season 2014/2015, 2013/2014 and 2012/2013 from the estimate made by the management. Details of the initial sugar cane prices and the estimate made by the management are as follows:

	Initial sugar cane price (Baht per ton of sugar cane)			Estimate price by the management (Baht per ton of sugar cane)		
	Production season 2014/2015	Production season 2013/2014	Production season 2012/2013	Production season 2014/2015	Production season 2013/2014	Production season 2012/2013
For the year ended 31 December 2014						
Sugar cane price at a sweetness of 10 C.C.S	900.00	900.00	-	900.00	927.48 - 954.39	-
Increased/decreased for each 1 C.C.S variation	54.00	54.00	-	54.00	55.65 - 57.26	-
For the year ended 31 December 2013						
Sugar cane price at a sweetness of 10 C.C.S	-	900.00	950.00	-	900.00	951.66 - 988.62
Increased/decreased for each 1 C.C.S variation	-	54.00	57.00	-	54.00	57.10 - 59.32

17 Borrowings

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current				
Trust receipts	794,205,382	425,093,050	-	-
Short-term borrowings from financial institutions	1,756,519,088	1,044,094,000	1,756,519,088	650,400,000
Short-term borrowings from related parties	682,000,000	968,325,000	1,119,000,000	1,593,325,000
Current portion of long-term borrowings:				
Financial institutions	724,562,532	1,256,970,000	202,520,000	652,470,000
Related parties	4,850,000	4,850,000	-	-
Others	47,891,139	50,209,594	10,113,704	10,670,377
Finance lease	5,717,307	5,150,727	5,717,307	5,150,727
Total current borrowings	4,015,745,448	3,754,692,371	3,093,870,099	2,912,016,104

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Non-Current				
Financial institutions	959,123,530	1,914,615,675	305,200,000	940,646,600
Related parties	87,300,000	92,150,000	-	-
Others	140,260,877	182,488,325	29,732,589	37,514,970
Finance lease liabilities	812,307,175	818,024,482	812,307,175	818,024,482
Total non-current borrowings	1,998,991,582	3,007,278,482	1,147,239,764	1,796,186,052
Total borrowings	6,014,737,030	6,761,970,853	4,241,109,863	4,708,202,156

As at 31 December 2014, the Group and the Company has pledged properties at net book value amounting to Baht 3,167.86 million and Baht 485.22 million, respectively (2013: Baht 3,490.17 million and Baht 579.66 million, respectively) to secure long-term loan from a financial institution.

The movement of long-term borrowings (excluded finance leases liabilities) for the year ended is as following:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Opening balance	3,501,283,594	4,030,074,557	1,641,301,947	1,721,046,225
Additions	435,996,987	951,350,000	-	700,000,000
Repayment	(1,978,956,194)	(1,482,533,353)	(1,096,066,977)	(779,955,414)
Adjustment: Deferred discounts	5,663,691	2,392,390	2,331,324	211,136
Closing balance	1,963,988,078	3,501,283,594	547,566,294	1,641,301,947

The interest rate exposure on the borrowing (excluded finance leases liabilities) is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Fixed rates	3,107,962,102	991,071,137	2,923,085,382	1,558,975,347
Floating rates	2,088,750,446	4,947,724,507	500,000,000	2,326,051,600
	5,196,712,548	5,938,795,644	3,423,085,382	3,885,026,947

The weighted average effective interest rates at the statements of financial position date were as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
- Financial institution borrowings	1.82 - 5.75	1.17 - 6.875	2.00 - 4.75	2.00 - 6.875
- Other borrowings	2.00 - 3.50	4.875 - 5.50	1.75 - 4.75	4.00 - 5.50

Maturity of long-term borrowings (excluded finance leases liabilities) were as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Within 1 year	777,303,671	1,312,029,594	212,633,705	663,140,377
Between 2 years and 5 years	1,118,784,407	2,116,504,000	334,932,589	978,161,570
Over 5 years	67,900,000	72,750,000	-	-
	1,963,988,078	3,501,283,594	547,566,294	1,641,301,947

The present value of finance lease liabilities is as follows:

	Consolidated and Company			
	2014			
	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht
Finance lease liabilities-minimum lease payments	95,700,000	382,800,000	2,105,400,000	2,583,900,000
<u>Less</u> Future finance charges on finance lease	(89,982,693)	(352,911,055)	(1,322,981,770)	(1,765,875,518)
Present value of finance lease liabilities	5,717,307	29,888,945	782,418,230	818,024,482

Consolidated and Company				
2013				
	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht
Finance lease liabilities-minimum lease payments	95,700,000	382,800,000	2,201,100,000	2,679,600,000
<u>Less</u> Future finance charges on finance lease	(90,549,273)	(355,873,022)	(1,410,002,496)	(1,856,424,791)
Present value of finance lease liabilities	5,150,727	26,926,978	791,097,504	823,175,209

18 Employee benefit obligations

The movement in the defined benefit obligations over the year is as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Beginning balance	260,519,458	232,614,462	151,917,719	127,234,200
Current service costs	18,117,151	14,350,958	9,233,398	7,351,765
Interest costs	6,796,352	6,832,177	3,833,007	3,906,764
Recognition of past service costs	-	(60,593,167)	-	(32,802,765)
Actuarial loss on the defined employee benefit plans	21,874,891	85,946,716	11,557,928	54,271,198
Benefit paid	(8,139,778)	(18,631,688)	(4,322,860)	(8,043,443)
Ending balance	299,168,074	260,519,458	172,219,192	151,917,719

The amounts recognised in the statement of profit or loss (included in staff costs) are as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current service costs	18,117,151	14,350,958	9,233,398	7,351,765
Interest costs	6,796,352	6,832,177	3,833,007	3,906,764
Recognition of past service costs	-	(60,593,167)	-	(32,802,765)
Total	24,913,503	(39,410,032)	13,066,405	(21,544,236)

The amounts recognised in other comprehensive income are as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Actuarial loss on the defined employee benefit plans	21,874,891	85,946,716	11,557,928	54,271,198

Accumulated amounts of actuarial loss, which have been recognised in the other comprehensive income of the consolidated and the company financial statements, up to 31 December 2014 were Baht 124.15 million and Baht 72.36 million, respectively (2013: Baht 102.28 million and Baht 60.81 million, respectively).

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2014	2013	2014	2013
Discount rate	3% - 3.5%	4%	3%	4%
Future salary increases	5%	5%	5%	5%
Retirement age	60 years	60 years	60 years	60 years
Mortality table	TMO08	TMO08	TMO08	TMO08

19 Other non-current liabilities

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Accrued interest from long-term borrowings	627,615,029	657,156,122	-	-
Others	-	195,600	-	-
	627,615,029	657,351,722	-	-

20 Share capital and premium on share capital

	Authorise number of shares	Issued and fully paid-up		
		Number of ordinary shares	Ordinary share Baht	Premium on share capital Baht
As at 1 January 2013	3,274,573,000	3,274,573,000	3,274,573,000	-
Issue of shares	613,427,000	-	-	-
As at 31 December 2013	3,888,000,000	3,274,573,000	3,274,573,000	-
Issue of shares	-	585,427,000	585,427,000	5,202,881,182
As at 31 December 2014	3,888,000,000	3,860,000,000	3,860,000,000	5,202,881,182

Initial Public Offering

In April 2014, the Company offered its common shares to the initial public offering by issuing 585,427,000 common shares. The new shares were sold to the subscribers at price of Baht 10 per share (Baht 1 paid in capital and Baht 9 share premium) totalling Baht 5,854.27 million which deducted obligation - share to be issued amounting to Baht 2,082.27 million, therefore, the Company has received cash amounting to Baht 3,772.00 million from this offering. The Company registered the increase in paid-up share capital with the Ministry of Commerce on 24 April 2014 and the shares of the Company began trading in the Stock Exchange of Thailand on 28 April 2014. Directly attributable expenses of the initial public offering amounted to Baht 65.96 million were deducted from the premium on share capital received from new investors.

As at 31 December 2014, the total number of authorised ordinary shares is 3,888,000,000 shares (31 December 2013: 3,888,000,000 shares) with a par value of Baht 1 per share. The issued and fully paid-up ordinary shares is 3,860,000,000 shares (31 December 2013: 3,274,573,000 shares).

At the Extraordinary Shareholders' Meeting 1/2013 held on 28 January 2013, shareholders approved to change in the par value of the ordinary shares from Baht 100 each to Baht 1 each, as a result, the company's registered and paid-up share capital increase from 32,745,730 ordinary shares to 3,274,573,000 ordinary shares and increase in the registered capital from 3,274,573,000 ordinary shares to 3,888,000,000 ordinary shares with a par value of Baht 1 per share. The Company registered the increased share capital with the Ministry of Commerce on 29 January 2013.

21 Share-based payment - Warrants

The Company issued and offered grants of warrants to the executives and employees (ESOP) of the Company and its subsidiaries, which their terms 5 years from the issued date and no offered price. The warrants have exercise period at the end of 4.5 years period from the issued date.

The exercise ratio and price on issued date are as follows:

	Issued date	Expired date	Exercise price (Baht/unit)	Number of Issued warrants (Unit)	Exercise Ratio unit/share	Exercise period	
						Start	End
ESOP	1 December 2014	1 December 2019	10	28,000,000	1	1 June 2019	30 November 2019

The fair value of the warrant is measured by a Black-Scholes Model with the following financial assumptions:

Fair value of the warrant at grant date (Baht)	7.15
Grant date share price (Baht)	11.70
Warrant exercise price (Baht)	10.00
Expected volatility	125.03%
The expected period, that shareholders will completely use their right on warrant	4.5 years
Expected dividend yield	2.56%
Risk free interest rate	2.51%

The expenses for share-based payment transactions for consolidated and separate financial statements, for the year ended 31 December 2014, were Baht 3.7 million and Baht 1.9 million, respectively.

Movements of the warrants were as follow:

	Consolidated and Separate financial statements
	Number of warrants
	(Unit)
At 1 January 2014	-
Issued warrants during the period	28,000,000
At 31 December 2014	28,000,000

22 Legal reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a statutory reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

23 Other income

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Rental income	3,103,406	5,854,395	4,000,413	7,388,190
Interest income	34,493,181	52,580,003	89,828,300	96,611,878
Gain on realised discount from transfer right of farmer receivables	23,869,225	141,293,927	23,869,225	141,293,927
Sugar Quota B right	40,596,600	-	40,596,600	-
Gain on sale of assets	5,123,812	68,514,122	6,632,664	58,255,325
Revenue from the sale of scraps	18,467,042	19,954,018	-	-
Others	102,976,514	145,813,817	66,202,010	99,617,870
	228,629,780	434,010,282	231,129,212	403,167,190

24 Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Raw materials and supplies used	11,836,317,674	11,042,844,998	9,077,928,628	8,423,246,989
Purchase finished goods	609,305,728	819,039,574	691,945,529	2,786,184,986
Staff costs	1,167,117,298	1,173,443,521	643,079,425	626,972,891
Depreciation and amortisation	820,368,926	629,253,589	300,428,420	246,956,233
Repair and maintenance expense	655,191,421	778,956,127	356,681,985	451,521,709
Fuel costs	688,767,701	720,782,369	115,655,185	102,947,887
Transportation expenses	530,247,396	495,499,203	291,169,862	249,787,142
Fees paid to the Office of the Cane and Sugar Fund	1,329,256,703	1,341,029,984	1,018,705,639	1,069,910,222

25 Income tax expense

The estimated average annual tax rate for the consolidated financial statements, for the year ended 31 December 2014, was 6.41% (2013: 14.50%) and for the company financial statements was 7.39% (2013: 19.94%).

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Current tax::				
Current tax on profits for the year	101,544,588	191,589,344	91,803,745	174,037,661
Adjustments in respect of prior year	(2,212,379)	(617,210)	-	-
Total current tax	99,332,209	190,972,134	91,803,745	174,037,661
Deferred tax:				
Origination and reversal of temporary differences	(5,741,387)	15,736,965	(1,686,718)	7,632,483
Total deferred tax	(5,741,387)	15,736,965	(1,686,718)	7,632,483
Total tax expense	93,590,822	206,709,099	90,117,027	181,670,144

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Profit before tax	1,459,346,556	1,425,174,505	1,219,207,765	910,902,902
Tax calculated at a tax rate of 20%	291,869,311	285,034,901	243,841,553	182,180,580
Tax effect of:				
Income not subject to tax and expenses not deductible for tax purpose	(263,602,845)	(116,590,234)	(153,724,526)	(510,436)
Adjustment in respect of prior year	(2,212,379)	(617,210)	-	-
Utilisation of previously unrecognised tax losses	(13,785,774)	-	-	-
Tax losses for which no deferred income tax asset was recognised	81,322,509	38,881,642	-	-
Tax charge	93,590,822	206,709,099	90,117,027	181,670,144

The tax credit relating to component of other comprehensive income is as follows:

	Consolidated					
	2014			2013		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Actuarial loss on retirement benefit obligation	(21,874,891)	4,374,978	(17,499,913)	(85,946,716)	17,189,343	(68,757,373)
Other comprehensive income	(21,874,891)	4,374,978	(17,499,913)	(85,946,716)	17,189,343	(68,757,373)

	Company					
	2014			2013		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Actuarial loss on retirement benefit obligations	(11,557,928)	2,311,586	(9,246,342)	(54,271,198)	10,854,240	(43,416,958)
Other comprehensive income	(11,557,928)	2,311,586	(9,246,342)	(54,271,198)	10,854,240	(43,416,958)

26 Earnings per share

Basic earnings per share attributable to shareholders of the parent is calculated by dividing the profit attributable to shareholders of the parent by the weighted average number of paid-up ordinary shares in issue during the year.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The basic earnings per share and the diluted earnings per share are as follows:

	Consolidated					
	Profit		Weighted average number of shares		Earnings per share	
	Baht		Shares		Baht	
	2014	2013	2014	2013	2014	2013
สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม						
Basic earnings per share	1,365,755,734	1,218,465,406	3,678,758,216	3,274,573,000	0.37	0.37
The effect of dilutive potential shares	-	-	-	-		
Diluted earnings per share	1,365,755,734	1,218,465,406	3,678,758,216	3,274,573,000	0.37	0.37

	Company					
	Profit		Weighted average number of shares		Earnings per share	
	Baht		Shares		Baht	
	2014	2013	2014	2013	2014	2013
สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม						
Basic earnings per share	1,129,090,738	729,232,758	3,678,758,216	3,274,573,000	0.31	0.22
The effect of dilutive potential shares	-	-	-	-		
Diluted earnings per share	1,129,090,738	729,232,758	3,678,758,216	3,274,573,000	0.31	0.22

27 Dividends

On 12 May 2014, the Board of Directors Meeting of the company No. 2/2014 passed the resolution to approve the payment of interim dividends from the Company's retained earnings for the period ending 31 December 2013 at Baht 0.30 per share, totalling Baht 1,158 million. The dividends were distributed to shareholders listed in the register on 29 May 2014. The dividends were distributed to the shareholders on 11 June 2014.

28 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly,

an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following transactions were carried out with related parties:

a) Business transactions with related parties

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Business transactions with subsidiaries				
<i>(Eliminated from Consolidated financial statements)</i>				
Revenues from sales and services	-	-	778,931,586	932,882,687
Dividend income	-	-	847,986,160	-
Interest income	-	-	66,713,071	76,548,882
Other income	-	-	19,981,431	25,269,515
Cost of sales and services	-	-	179,824,899	2,064,066,299
Administrative expenses	-	-	868,674	365,565
Finance costs	-	-	22,220,432	28,619,918
Business transactions with other related parties				
Other income	14,766,271	66,098,601	14,577,239	58,258,941
Cost of sales and services	322,895,856	548,115,919	181,430,435	365,572,710
Selling expenses	372,082,554	331,721,601	267,876,532	250,308,982
Administrative expenses	61,251,320	36,507,936	19,170,528	12,746,907
Finance costs	235,685,433	227,709,471	197,783,983	187,270,543

b) Outstanding balances arising from sales/purchases of goods/services

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Trade accounts receivables: - related parties:				
Subsidiaries	-	-	36,991,681	63,149,871
Other related parties	248,960	4,261,264	248,960	3,105
	248,960	4,261,264	37,240,641	63,152,976
Other receivables from related parties:				
Subsidiaries	-	-	6,030,947	69,061,686
Other related parties	64,483,846	5,820,396	64,384,120	5,201,219
	64,483,846	5,820,396	70,415,067	74,262,905
Other current assets:				
Other related parties	2,027,499	1,739,151	2,027,499	1,739,151
	2,027,499	1,739,151	2,027,499	1,739,151
Other non-current assets:				
Other related parties	102,404,358	102,404,358	101,000,000	101,000,000
	102,404,358	102,404,358	101,000,000	101,000,000
Trade accounts payables - related parties:				
Subsidiaries	-	-	11,521,268	221,031,010
Other related parties	27,140,677	711,580,249	18,592,226	683,766,554
	27,140,677	711,580,249	30,113,494	904,797,564
Other payables from related parties:				
Subsidiaries	-	-	12,221,984	4,001,908
Other related parties	98,157,847	90,194,667	50,255,177	50,246,783
	98,157,847	90,194,667	62,477,161	54,248,691
Other current liabilities:				
Other related parties	644,300	71,700	644,300	71,700
	644,300	71,700	644,300	71,700
Other non-current liabilities:				
Other related parties	627,615,029	657,156,122	-	-
	627,615,029	657,156,122	-	-

c) Loan to a related parties

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Short-term loan to related parties	-	-	2,230,500,000	1,565,000,000

d) Borrowings from related parties

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Short-term borrowings from related parties	682,000,000	968,325,000	1,119,000,000	1,593,325,000
Current portion of long-term borrowings from related parties	4,850,000	4,850,000	-	-
Long-term borrowings from related parties	87,300,000	92,150,000	-	-
	774,150,000	1,065,325,000	1,119,000,000	1,593,325,000

e) Directors' and management's remuneration

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Short-term benefits	124,748,093	122,849,630	108,059,329	109,667,378
Post- retirement benefits	1,633,914	1,548,762	1,198,128	879,302
Share-based payment benefits	120,477	-	87,125	-
	126,502,484	124,398,392	109,344,582	110,546,680

Directors' and management's remuneration represents salaries, meeting fees and other benefits.

f) Lease agreements

The Company has made the lease agreements for land, building and machinery with a related party Lease term is for 30 years which the rate will be increased every 5 years based on the consumer price index but not over 20% of the former rate. The Company also has a right to renew agreement for another 30 years since the expired date of this agreement by advance inform 2 years earlier from the expired date.

Lease agreement details are as follows;

Type of assets	Lease agreements	Agreement period	Rate (first 5 years)
Land	Operating	30 years	5.30 Million Baht
Building	Finance	30 years	2.00 Million Baht
Machinery	Finance	30 years	93.70 Million Baht

g) Forward contract

The Group has entered in to forward contract via T.I.S.S. Co., Ltd. which is a related party, contract value amounting to USD 120.71 million (2013 : USD 383.60 million).

29 Financial instruments

The Company possess risks regarding to the rates of the related goods' price changing and from non-performance of contractual obligations by counter parties. The Company will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company does not have any policy to hold or issue any financial instruments for speculation or for trading, except the following:

a) Risk on fluctuation of sugar prices

The cane and sugar industry in Thailand is under the benefit sharing system between the cane farmers and the sugar mill factories, the selling price of sugar under Quota B and the exchange rate of the actual sales made by Thailand Cane and Sugar Corporation (TCSC) have significant effect on cane price which is major cost of sugar production. To manage risk on the fluctuation of gross profit, the Company has hedged the risk by entering into commodity swap contracts for the period not over 1 year. Gain or loss is recognised in the statement of comprehensive income when the contracts are settled or expired.

b) Foreign currency risk

The Group exposes to foreign currency risk arising mainly from trading goods transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December, forward exchange contracts outstanding of the Group are summarised below:

		Consolidated		
		31 December 2014		
	Currency	Amount (Million)]	Contract exchange rate (Baht]	Fair value rate (Baht]
Buy	YEN	80.00	0.2819 - 0.3186	0.2746 - 0.2763
Sell	USD	94.74	33.01 - 33.52	33.11 - 33.37

		Consolidated		
		31 December 2013		
	Currency	Amount (Million)]	Contract exchange rate (Baht]	Fair value rate (Baht]
Sell	USD	39.41	29.55 - 32.62	32.77 - 33.31

c) Credit risk

The Company has risk on credit regarding trade receivables, farmer receivable, loans to farmers, loans to related parties and other receivables. However, the Company has many receivables and has conservative credit policy including allowance for doubtful accounts. It believes that the risk of default by receivables is low.

d) Fair values of financial instruments

Since the majority of the financial instruments of the Company are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the financial position.

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

30 Promotion privileges

By virtue of provisions of the Industrial Investment Promotion act of B.E 2520, the three subsidiaries were granted privileges by the Board of Investment which included exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operation. The details of each privilege are as follows:

Certificate	Privilege section	Date	Nature of privilege business	First derived income date	Expiry date
1276/Or/2546	25 26 28 30 31 34 35(2) 35(3) 35(4) 36(1) 36(2) 36(4) and 37	5 June 2003	- Paper manufacturing	14 October 2004	13 October 2012
1826(2)/2547	25 26 28 31 34 35(3) and 37	27 September 2004	- Manufacturing ethanol - Manufacturing pure alcohol for fuel - Fertilizer manufacturing	14 March 2008	13 March 2016
1095(1)/2555	25 26 28 31 34 35(1) 35(2) 35(3) and 37	26 January 2012	- Generating electricity from biomass	7 October 2013	6 October 2021
2590(5)/2556	25 26 28 31 34 and 35(3)	12 November 2013	- Production of biological fertilizers or organic fertilizers	No generated income	

In addition, BOI certificate No.1276/Or/2546 and 1095(1)/2555 the subsidiaries receive a fifty percent reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years, as from the expiry date in the table above.

31 Commitments and contingent liabilities

Operating lease commitments - where the Company is the lessee

The future minimum lease payments under operating leases are as follows: ล้านบาท

	Consolidated		Company	
	2014 Baht	2013 Baht	2014 Baht	2013 Baht
Not later than 1 year	23,439,268	29,507,629	9,405,328	8,716,078
Later than 1 year but not later than 5 years	23,086,935	37,087,758	21,329,000	24,524,101
Later than 5 years	121,100,000	130,950,000	116,600,000	121,900,000
	167,626,203	197,545,387	147,334,328	155,140,179

Capital commitment

As at 31 December 2014, the Group had capital commitment amount Baht 815.58 million (2013: Baht 19.51 million).

Bank guarantees

As at 31 December 2014, the Group has letters of guarantees issued by financial institutions amounting to Baht 36.50 million (2013: Baht 64.56 million) which are related to normal business of the Group.



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