







KTIS

*More* Than Sugar



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# Vision

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.



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







## 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.

# Financial Highlights

2013

2014

2015

## Income Statements (Million Baht)

Sales & Services Revenues	18,052	20,120	19,328
Sugar	13,590	14,849	14,352
Molasses	636	796	766
Compensation for Cane and Sugar Fund	-	-	222
Electricity	264	616	538
Ethanol	1,545	1,740	1,639
Pulp	1,496	1,598	1,305
Others	520	521	505
Other Income	434	229	128
Total Revenues	18,486	20,349	19,457
Net Profit	1,218	1,366	730

## Balance Sheet (Million Baht)

Total Assets	16,130	18,690	18,793
Current Assets	6,705	7,767	5,578
Non-Current Assets	9,426	10,923	13,215
Total Liabilities	13,540	10,117	10,101
Current Liabilities	9,606	7,182	4,949
Non-Current Liabilities	3,935	2,936	5,152
Total Shareholders' Equities	2,590	8,572	8,692

## Ratio (Times)

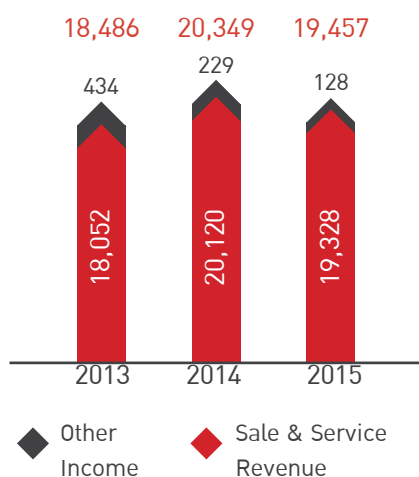
Current Ratio	0.70	1.08	1.13
Debt/Equity (D/E)	5.23	1.18	1.16



# 3 YEARS FINANCIAL HIGHLIGHTS

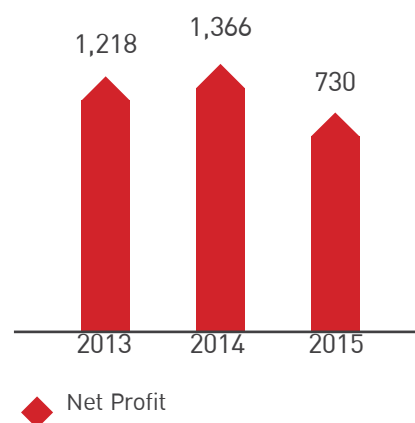
## Total Revenues

(Unit: Baht million)

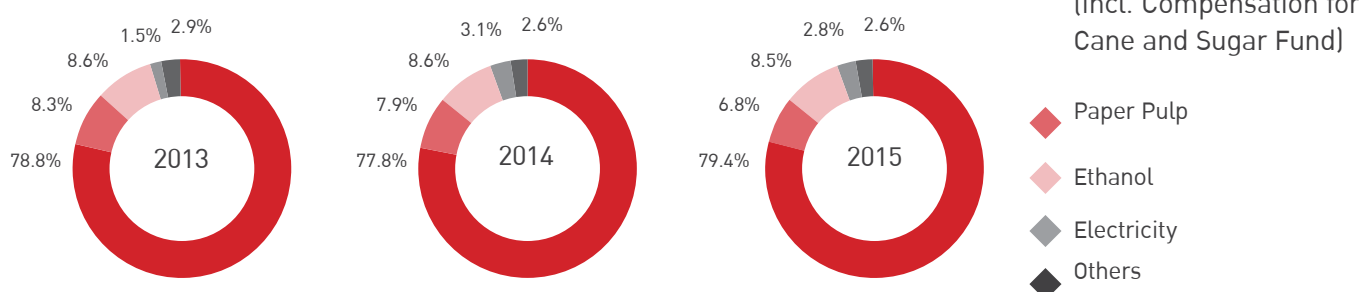


## Net Profit

(Unit: Baht million)

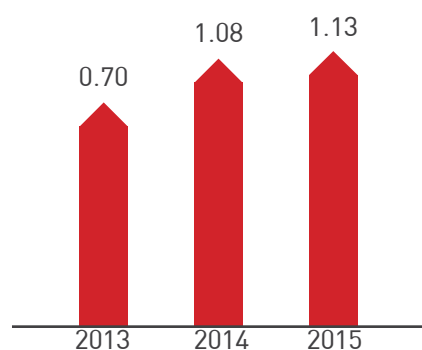


## Sales & Service Revenue



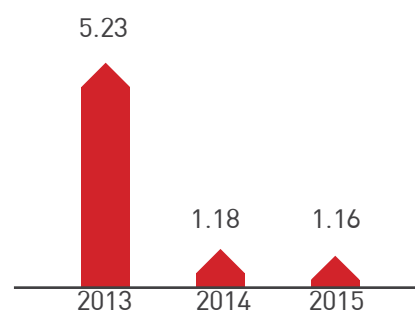
## Current Ratio

(Unit : Times)



## Debt/Equity

(Unit : Times)



# Company 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
Bangkok 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	<a href="http://www.ktisgroup.com">www.ktisgroup.com</a>
Company Secretary	Mr.Suchart Pipatanachaiyapong Tel. (66) 2692-0869 to 73 ext. 176
Email	<a href="mailto:cs@ktisgroup.com">cs@ktisgroup.com</a>
Investor Relations and Corporate Communications	Ms.Monathy Ploisook Tel. (66) 2692-0869 to 73 ext. 193 ext. 26
E-mail	<a href="mailto:ir@ktisgroup.com">ir@ktisgroup.com</a>

## Subsidiary Information

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

<b>Sugar Business</b>	:	<b>Lopburi International Sugar Co., Ltd.</b>
<b>Business Type</b>	:	Production and distribution of sugar
<b>Head office</b>	:	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory</b>	:	Lopburi Province
<b>Energy Business</b>	:	<b>Kaset Thai Bio Power Co., Ltd.</b>
<b>Business Type</b>	:	Production and distribution of electricity
<b>Head office</b>	:	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory</b>	:	555 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province Telephone (66) 5633-8123 to 5
<b>Energy Business</b>	:	<b>Ruamphol Bio Power Co., Ltd.</b>
<b>Business Type</b>	:	Production and distribution of electricity
<b>Head office</b>	:	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory</b>	:	77/77 Moo 7 Banmakhua Sub-District, Muang District, Nakhonsawan Province Telephone (66) 5633-8123 to 5
<b>Energy Business</b>	:	<b>Thaiekaluck Power Co., Ltd.</b>
<b>Business Type</b>	:	Production and distribution of electricity
<b>Head office</b>	:	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory</b>	:	42/2 Moo 8 Ban Hardsuatan, Kungtapao Sub-District, Muang District, Uttaradit Province Telephone (66) 2692-0869 to 73
<b>Energy Business</b>	:	<b>Lopburi Biopower Co., Ltd.</b>
<b>Business Type</b>	:	Production and distribution of electricity
<b>Head office</b>	:	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory</b>	:	Lopburi Province
<b>Energy Business</b>	:	<b>KTIS Biogas Power Co., Ltd.</b>
<b>Business Type</b>	:	Production and distribution of electricity
<b>Head office</b>	:	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory</b>	:	Nakhonsawan Province

<b>Paper Pulp Business :</b>	<b>Environment Pulp and Paper Co., Ltd.</b>
<b>Business Type :</b>	Production and distribution of bleached paper pulp
<b>Head office :</b>	(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
<b>Factory :</b>	9/9 Moo 1 Attavipach Rd., Nong Pho Sub-District, Taklee District, Nakhonsawan Province Telephone (66) 2247-0920
<b>Fertilizer Business :</b>	<b>Kaset Thai Bio Fertilizer Co., Ltd.</b>
<b>Business Type :</b>	Production and distribution of fertilizers and soil
<b>Head office :</b>	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory :</b>	888 moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province Telephone (66) 56-338-123 to 5
<b>Energy Business :</b>	<b>Ekarat Pattana Co., Ltd.</b>
<b>Business Type :</b>	Production and distribution of ethanol
<b>Head office :</b>	(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
<b>Factory :</b>	9 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province Telephone (66) 56-338-333, (66) 2644-8388, (66) 2644-8130-2
<b>Energy Business :</b>	<b>KTIS Bio Energy Co., Ltd.</b>
<b>Business Type :</b>	Production and distribution of ethanol
<b>Head office :</b>	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory :</b>	Nakhonsawan Province
<b>Energy Business :</b>	<b>Lopburi Bioethanol Co., Ltd.</b>
<b>Business Type :</b>	Production and distribution of ethanol
<b>Head office :</b>	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory :</b>	Lopburi Province
<b>Holding Business :</b>	<b>Permsinpattana Co., Ltd.</b>
<b>Business Type :</b>	Shareholders engagement, which currently holds 26.0 percent in EPPCO
<b>Head office :</b>	24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok Telephone (66) 2692-0869 to 73
<b>Factory :</b>	-



**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 :** -

**Asset management Business : Kaset Thai Wiwat Co., Ltd.**

**Business Type :** Support company's asset management  
**Head office :** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok  
 Telephone (66) 2692-0869 to 73  
**Factory :** -

**Support and Development Business : KTIS Research and Development Co., Ltd.**

**Business Type :** Support company's businesses and its growth aspiration.  
**Head office :** 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok  
 Telephone (66) 2692-0869 to 73  
**Factory :** -

## Other References

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### Registrar

**Thailand Securities Depository Co., Ltd.**

62 Stock Exchange of Thailand Building, 4<sup>th</sup> and 7<sup>th</sup> Floor , Ratchadapisek Road., Klongteoi, Bangkok 10110, Thailand.  
 Telephone : (66) 2229-2888 (Call Center)  
 Facimile : (66) 2359-1259

### Auditor

**PricewaterhouseCoopers ABAS Ltd.**

179/74-80 Bangkok City Tower, 15<sup>th</sup> Floor South Sathorn Road Sathorn Bangkok, 10120, Thailand  
 Telephone : (66) 2344-1000, (66)2286-9999  
 Facimile : (66) 2264-0790

### Legal Advisor

**Kudan and Partners Co., Ltd.**

973 Preseident Tower, 14<sup>th</sup> Floor, Unit 14C Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330, Thailand  
 Telephone : (66) 2656-0818  
 Facimile : (66) 2656-0819

# Messages from the Chairman

## To Shareholders,

In 2015, the economic growth of countries around the globe, including the USA, EU countries, Russia, China, Brazil and many Asian countries, was weaker than expected. The upheavals in the Middle East have given rise to a flow of war-fleeing immigrants and intensified the international conflicts. During the first half of 2015, the sugar prices in the global market plunged to below 11 cents a pound (the New York Sugar No. 11), due to pressure from the tumbling Brazilian real and the global oversupply. It was not until the final quarter of 2015 that the sugar price rebounded and inched up to stand above 14 cents a pound, driven up by the concerns over the declining cane output in China, India, Indonesia and Thailand which were expected to be hit by droughts.

KTIS has increasingly diversified into the downstream activities to utilize from biomass and capture business opportunities from the electricity generation and the production of pulp and ethanol more aggressively. This has proven as the right strategic direction as these downstream businesses are the true saviors and strongly prop up the revenue and financial performance of KTIS to stability among the falling sugar market. The government's policy to encourage the use of bioethanol fuels derived from domestic biomass over fuels from petroleum is also a favor for our businesses.

KTIS has enjoyed the advantage of lower costs of supply transportation. Thanks to the short distance between its plants, the sugar plant can convey the molasses to the ethanol plant via pipeline, and bagasse to the pulp factory via conveyor. The surging demand of domestic and international markets for bagasse pulp has led to a hike in the prices of bagasse pulp. Our power plant is also in proximity to the sugar plant and the bagasse feedstock is transported to the power plant via a conveyor, and the power business has satisfactory generated a constant flow of income from the production and sale of electricity. Our fertilizer products which are manufactured at the production facility adjacent to the sugar plant have become more and more popular among farmers. Despite its current weak performance, the fertilizer business has generated some revenue, and is anticipated to record stronger performance next year as it shows good potentials of growth. The lower cost of transportation greatly helps leverage our competitive advantage.

KTIS group is confident that the government's economic stimulus programs will enable Thailand to stably regain its economic momentum. The industrial and agricultural sectors have benefited greatly from the lower costs of production and transportation as a result of the falling oil prices. The weakening Thai Baht has also strengthened the competitiveness of Thailand's sugar industry as the export volume accounts for 70% of its annual sales. The upcoming AEC integration will be a window of opportunities for the group to expand its business.

I believe that professional field experience is one of the most important parts in doing business because it leads to the ability to effectively mitigate risks and make accurate predictions together with the supporting hands from business partners will create continuous success. I would like to thank our shareholders, directors, executives, employees, banks, trading partners, and all contributors for their continued support which enables KTIS group to achieve solid and sustainable growth.



Mr.Pricha Attavipach  
Chairman of the Board



# Messages from the Chief Executive Officer – KTIS Group



Mr. Parphan Siriviriyakul  
Chief Executive Officer  
KTIS Group



## Dear Shareholders,

KTIS group aspires to stably grow into a leader of the sugar and bio-energy business, focusing on fostering and furthering agricultural, engineering, and financial innovations for optimized effectiveness. The group has initiated more than 100 innovation projects; and they have led to highly beneficial inventions such as the hi-speed planter which can plant 20 rais of canes in just one day, the real-time cane truck tracking system, the young blood yeast which has a higher alcohol yield, the simple effective O-ring hooker for hydraulic cylinders which helps to make the process faster and safer, the in-house invention of automated pulp baling machine (1 ton) instead of purchasing costly sealing machines, and the liquidity management system (LMS) which has been developed under collaboration with Krungthai Bank. These products of innovation are proven to be practical and beneficial by our employees and are continuously enhanced for greater effectiveness. These streams of innovation have built up our corporate identity and strengthened the sense of team spirit and the employee engagement. As fact, most of our employees have loyally worked for KTIS for longer than 15 years, bespeaking their strong engagement, including the dedication and the love they have for KTIS.

In 2015, the global sugar price dramatically plunged to a record low level during the first three quarters of the year before bottoming out and significantly increasing in the final quarter. The price decrease phenomenon dragged on the profitability of the sugar business. Ethanol, pulp and electricity businesses continued to achieve strong financial performance, driving the group towards solid and profitable growth. Despite the delays caused by the need for equipment adjustment, the construction of the two power plants, one in Nakhonsawan Province to be operated by Thaiekaluck Power Company Limited ("TEP") and the other in Uttaradit Province to be operated by Ruampol Bio Power Company Limited ("RPBP"), which are located near the sugar mills of KTIS group will be completed soon. It is expected that the power plants will commercially operate and generate revenue for the group in the first and second quarter of 2016. In addition, the group has collected and used harvest trashes (cane leaves) for its electricity generation since 2014 until today. The harvest trashes collected during each crop season are estimated at more than 200,000 tons and are used as alternative feedstock for the group's power plants. The harvest trash recycling project helps discourage the cane field burning and lead to the greater quality of green canes and field soil which ultimately will benefit the cane farmers themselves.

In the previous year, the government granted permission for the production expansion of 12 sugar mills, of which two are owned by KTIS group. Kaset Thai Sugar Mill has been permitted to increase its production capacity from 40,000 tons per day to 50,000 tons per day, and Ruampol Sugar Mill from 8,800 tons per day to 16,000 tons per day. It is anticipated that there will be more than 30 new sugar mills in 2016; and the trend suggests that the sugar business, despite its capital intensity, has strong growth potentials and is attractive to investors.

Going forward in 2016, the Company will focus more on research and development through KTIS Research Development Company Limited, the group's central research and development arm, which has been recently established with an aim to continuously develop its cane, sugar, alternative energy, and downstream business and, concurrently, to identify and capture new business opportunities in the value chain. We are well aware that the sugar and bio-energy businesses have eternal opportunities to grow from value creation because even industrial waste can be developed into value-added products which offer not only commercial benefits to the Company but also environmental benefits to the society. KTIS group aspires to build its healthy growth from the strong security of raw material supply, steady production and effective distribution in order that KTIS group will be able to stand strong despite headwinds from economic and market volatility or other unfavorable factors which may stunt or decelerate its business growth.

I would like to take this opportunity to thank our shareholders, directors, executives, employees, business partners, and the public and private organizations for their continuous supports for KTIS group. I am confident that we will perpetually achieve stable and continuous growth together.

# Board of Directors



1. Mr.Pricha Attavipach

Chairman

2. Mr.Sirivuthi Siamphakdee

Director

Chairman of Executive Committee  
Chief Financial Officer – KTIS Group  
Risk Management Committee

3. Mr.Parphan Siriviriyakul

Director

Chief Executive Officer – KTIS Group  
Risk Management Committee

4. Mrs.Darat Vibhatakalasa

Director

Deputy Executive Officer - KTIS group  
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. **Acting Sub Lt. T-rayooth Changpetch**  
 Independent Director  
 Chairman of Risk Management Committee  
 Audit Committee

9. **Mr.Issakan Krivitthaya**  
 Independent Director  
 Chairman of Nomination and Remuneration  
 Committee  
 Risk Management Committee

10. **Mr.Sathaporn Kotheeranurak**  
 Independent Director  
 Audit Committee

11. **Mr.Phoonsak Boonsalee**  
 Independent Director  
 Nomination and Remuneration Committee

12. **Mr.Shunsuke Tsujiyama**  
 Director

13. **Mr.Apichart Noochprayoon**  
 Director

14. **Mr.Sirapak Siriviriyakul**  
 Director

15. **Miss Chua Eng Eng**  
 Director



# Directors and Management Biography

Name Mr.Pricha Attavipach

Age 78

Position Chairman

## Education

- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University
- Master of Engineering (Industrial Engineering & Management), Oklahoma State University

## Seminar on Role and Responsibility

- DCP 39/2004
- ACP 11/2006
- FND 8/2004

Shareholding (%) 0.137

Family Relationship among Company's Directors None

Period of Directorship 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Chairman	Kaset Thai International Sugar Corporation Pcl.
Present	Chairman	T S Flour Mill Pcl.
Present	Chairman	Thai Sugar Terminal Pcl.
Present	Director	Thai Rung Union Car Pcl.
Present	Director	Siam Cement Pcl.
<b>Non-Listed Companies</b>		
Present	Chairman	TSG Asset Co., Ltd.
Present	Chairman	T S Oil Industry Co., Ltd.
2013 – Present	Chairman	Pan-Paper (1992) Co., Ltd.
2013 – Present	Chairman	Ruampol Bio Power Co., Ltd.
2013 – Present	Director	Thaiekaluck Power Co., Ltd.
2012 – Present	Chairman	Siri Charoen Sapraiwan 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.



Director/Management Position in other companies		
Period	Position	Company
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
2000 – 2014	Chairman	Ruamkij Angthong Warehouse Co., Ltd.
2008 – 2013	Chairman	Kaset Thai Sugar Industry Co., Ltd.

**Name** Mr.Sirivuthi Siamphakdee  
**Age** 73  
**Position** Director  
 Chairman of Executive Committee  
 Chief Financial Officer and Risk Management Committee

#### Education

- Bachelor of Commerce, Banking and Finance, Thammasat University

#### Seminar on Role and Responsibility

- DAP 54/2006

**Shareholding (%)** None

**Family Relationship among Company's Directors** None

**Period of Directorship** 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Director, Chairman of Executive Committee, Chief Financial Officer and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
Present	Director	The Grand UB Co., Ltd.
Present	Director	Thai Identity Sugar Co., Ltd.
Present	Director	Ruampol Enterprise 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	Chairman	KTIS Bioenergy Co., Ltd
Present	Director	KTIS Research and Development Co., Ltd.
Present	Chairman	KTIS Biogas Power Co., Ltd
2013 – Present	Director	Ruampol Biopower Co., Ltd
2013 – Present	Director	Thaiekaluck Power Co., Ltd.

Director/Management Position in other companies		
Period	Position	Company
2011 – Present	Chairman	Kaset Thai Bio Fertilizer Co., Ltd.
2007 – Present	Director	Ekarat Pattana Co., Ltd.
<b>Other Companies that may cause any conflict of interests to the Company</b>		-None-
<b>Working Background</b>		
2007 – 2012	Managing Director	Ekarat Pattana Co., Ltd.
2010 - 2013	Director and Chairman of Executive Committee	Kaset Thai Sugar Industry Co., Ltd.

**Name** Mr.Parphan Siriviriyakul  
**Age** 64  
**Position** Director, Chief Executive Officer  
and Risk Management Committee

#### Education

- Honorary Bachelor of Arts, Nakhon Sawan Rajabhat University

#### Seminar on Role and Responsibility

- DAP 96/2012

**Shareholding (%)** None

#### Family Relationship among Company's Directors

- Father to Mr. Sirapak Siriviriyakul
- Elder brother to Mrs.Darat Vibhatakalasa
- Elder brother to Mr.Prasert Siriviriyakul
- Elder brother to Mr. Nathapun Siriviriyakul

**Date to Appointment** 3 year 3 months (January 29, 2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Director Managing Director, Chief Executive Officer and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
Present	Director	KTIS Research and Development Co., Ltd.
Present	Director	Hatai Jaroon Ek Holding Co., Ltd.
Present	Chairman of the Advisory	Chaopraya University
Present	Advisor	Viriyalainakhonsawan Vocational College
2014 – Present	Advisor	The Federation of Thai Industries Northern
2014 – Present	Director	KTIS Bioenergy Co., Ltd.

### Director/Management Position in other companies

Period	Position	Company
2014 – Present	Director	KTIS Biogass Power Co., Ltd.
2013 – Present	Chairman	Sapsirikaset Co., Ltd.
2013 – Present	Chairman	Lopburi International Sugar Co., Ltd.
2013 – Present	Chairman	Lopburi Bioethanol Co., Ltd.
2013 – Present	Chairman	Lopburi Biopower Co., Ltd.
2013 – Present	Director	Ruampol Biopower Co., Ltd.
2013 – Present	Director	3S Holding CO., Ltd.
2010 – Present	Director	Jaroon Hatai Ek Holding Co., Ltd.
2010 – Present	Director	Kaset Thai Bio Power Co., Ltd.
2009 – Present	Chairman	Thaiekaluck Power Co., Ltd.
2009 – Present	Director	S.I. Property Co., Ltd.
2005 – Present	Director	Eppco Intertrade Co., Ltd.
2004 – Present	Founder President	The Federation of Thai Industries
2003 – Present	Chairman	Permsinpatana Co., Ltd.
2003 – Present	Chairman	Environment Pulp and Paper Co., Ltd.
2002 – Present	Director	Siam PP International Co., Ltd.
1998 – Present	Director	Ekarat Pattana Co., Ltd.
1992 – Present	Director	T.Y.T. Trading Co., Ltd.
1990 – Present	Director	Thai Northern Molasses Co., Ltd.
1989 – Present	Director	Thai Wisanu Nakornsawan Co., Ltd.
1982 – Present	Director	Ruam Toon Warehouse Nakornsawan Co., Ltd.
1973 – Present	Chairman	Thai Identity Sugar Co., Ltd.
1963 – Present	Director	Ruampol Enterprise Co., Ltd.

**Other Companies that may cause any conflict of interests to the Company** -None-

### Working Background

2009 – 2015	Director	New Thai Identity Co., Ltd.
2009 – 2015	Director	New Ruampol Co., Ltd.
2008 – 2015	Director	Ekvisanu Co., Ltd.
1998 – 2015	Director	T.I. Business Co., Ltd.
1995 – 2015	Director	Nakhonsawan Agriculture Co., Ltd.
2008 – 2013	Chief Executive Officer	Kaset Thai Sugar Industry Co., Ltd.
2012	Director	Aekphol Sugar Co., Ltd.
2012	Director	Ruamkij Angthong Warehouse Co., Ltd.
2012	Director	TISS Co., Ltd.

**Name** Mr. Nathapun Siriviriyakul  
**Age** 52  
**Position** Director, Chief Executive Officer - Bio Energy and Product and Risk Management Committee

#### Education

- Bachelor of Engineering (Computer Engineering)(Second Class Honours), Chulalongkorn University
- Master of Business Administration, Washington State University, USA
- Advanced Security Management Program 2/2011
- Top Executive Program in Commerce and Trade 3/2010
- Top Executive Program in College of Commerce and Capital Markets 16/2013

#### Seminar on Role and Responsibility

- DAP 96/2012

**Shareholding (%)** 0.705

#### Family Relationship among Company's Directors

- Younger brother to Mr. Parphan Siriviriyakul
- Younger brother to Mr. Prasert Siriviriyakul
- Younger brother to Mrs. Darat Vibhatakalasa

**Period of Directorship** 3 year 3 months (January 29, 2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Director, Chief Executive Officer - Bio Energy and Product and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
Present	Director	Jaroon Hatai Ek Holding Co., Ltd.
Present	Director	Hatai Jaroon Ek Holding Co., Ltd.
Present	Director	Ruamkij Angthong Warehouse Co., Ltd.
Present	Director	T.Y.T. Trading Co., Ltd.
Present	Director	KTIS Bioenergy Co., Ltd.
Present	Director	KTIS Research and Development Co., Ltd.
Present	Director	3S Holding 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	KTIS Biogass Power Co., Ltd.



### Director/Management Position in other companies

Period	Position	Company
Present	Director	Thai Identity Sugar Co.,Ltd.
Present	Director	Aekphol Sugar Co., Ltd.
Present	Director	Ruampol Enterprise Co., Ltd.
Present	Director	Siam PP International Co., Ltd.
Present	Director	Ekarat Pattana 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	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.
2008 – Present	Independent Director	King Wan Corporation Limited (Singapore)

**Other Companies that may cause any conflict of interests to the Company** -None-

### Working Background

2012 – 2013	Director and Chief Executive Officer – Bio Energy & Product	Kaset Thai Sugar Industry Co., Ltd.
2015	Director	Nakhonsawan Agriculture Co., Ltd.
2009 – 2015	Director	New Thai Identity Co., Ltd.
2009 – 2015	Director	New Ruampol Co., Ltd.

**Name** Mrs.Darat Vibhatakalasa

**Age** 62

**Position** Director, Deputy to Chief Executive Officer and Nomination and Remuneration Committee

**Education**

- Bachelor of Education, Chulalongkorn University (First Class Honours)
- Master of Education, Chulalongkorn University
- Certificate, National Defense, class 2006 (NDP 19), National Defense College

**Seminar on Role and Responsibility**

- DAP 96/2012

**Shareholding (%)** 0.319

**Family Relationship among Company's Directors**

- Younger Sister to Mr.Parphan Siriviriyakul
- Elder Sister to Mr.Prasert Siriviriyakul
- Elder Sister to Mr.Nathapan Siriviriyakul

**Period of Directorship** 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013-Present	Director, Deputy Executive Officer and Nomination and Remuneration Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
<b>Private Sector</b>		
Present	Director	KTIS Research and Development Co., Ltd.
Present	Director	Hatai Jaroon Ek Holding Co., Ltd.
Present	Director	Jaroon Hatai Ek Holding Co., Ltd.
Present	Director	3S Holding CO., Ltd.
Present	Director	T.Y.T. Trading Co., Ltd.
Present	Director	Thai Northern Molasses Co., Ltd.
Present	Director	Aekphol Sugar Co., Ltd.
Present	Director	Permsinpattana Co., Ltd.
2013-Present	Director	Thaiekaluck Power Co., Ltd.
2013-Present	Director	Ruampol Biopower Co., Ltd.
2010 - Present	Director	Kaset Thai Bio Power Co., Ltd.
2002 – Present	Executive Committee	Ruamkij Angthong Warehouse Co., Ltd.
2002 – Present	Executive Committee	Thai Wisanu Nakornsawan Co., Ltd.
1996 – Present	Owner	Publisher and Advertiser of Sawan News

Director/Management Position in other companies		
Period	Position	Company
1995 – Present	Deputy Managing Director	Ruampol Enterprise Co., Ltd.
1983 – Present	Executive Committee	Thai Identity Sugar Co.,Ltd.
<b>Education Sector</b>		
1998 – Present	Vice President for Management	Chaopraya University
1990 – Present	Chairman	Viriyalainakhonsawan Vocational College
<b>Academic Sector</b>		
2011 – Present	Advisor	The Prime Minister Office (People's Representative)
<b>Economic Sector</b>		
2013 – Present	Chairman	The Federation of Nakhonsawan Industries
2010 – Present	Honorary Chairman	Northern Region of F.T.I Provincial Chapters
2002 – Present	Director	Joint Public-Private Committee for Economic Affairs, Nakhonsawan
2000 – Present	Director	Federation of Thai Industries (F.T.I.)
<b>Administrative</b>		
2015 – Present	Chairman	Private Cooperation Center ,Nakhonsawan
2015 – Present	Luminaries	Subcommittee on Justice Fund,Nakhonsawan
2014 – Present	Subcommittee	Facilitation of the Decentralization to the Local Government Organization Committee, Nakhonsawan
2009 – Present	Director	Integrated Provincial Administration Committee of Nakhonsawan
2005 – Present	Director	Private Cooperation Center,Nakhonsawan
2003 – Present	Director	Integrated Regional Administration Committee of Lower Northern Region 2
<b>Social Sector</b>		
2008 – Present	Advisor	Chulalongkorn University Alumni Association of Nakhonsawan Chapter
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
2012 – 2014	Vice Chairman	Federation of Thai Industries (F.T.I.)
2011- 2015	Vice Chairman	Private Cooperation Center, Nakhonsawan
2010 – 2012	Deputy to Secretary General	Federation of Thai Industries (F.T.I.)
2010 – 2012	Director	Forty-two Educational Service Office Area
2010 –2012	President	Nakhonsawan Girls' School Alumni Association
2007-2011	Advisor	Inspector General of Prime Minister office on Economy
2007	Member	National People's Assembly of Thailand
2006-2012	Director	Vocational Education Area 1.

Director/Management Position in other companies		
Period	Position	Company
2006 – 2010	Chairman	Northern Region of F.T.I Provincial Chapters
1989-1991	President	Provincial Red-cross of Maha Sarakham
1991-1993	President	Provincial Red-cross of Phrae

**Name** Mr. Prasert Siriviriyakul  
**Age** 58  
**Position** Director, Chief Executive Officer -Cane and Sugar  
 and Risk Management Committee

#### Education

- Doctor of Dental Surgery, Chulalongkorn University
- Mini MBA, Thammasat University

#### Seminar on Role and Responsibility

- DAP 96/2012

**Shareholding (%)** 0.151

#### Family Relationship among Company's Directors

- Younger Brother to Mr.Parphan Siriviriyakul
- Younger Brother to Mrs.Darat Vibhatakalasa
- Elder Brother to Mr.Nathapun Siriviriyakul

**Period of Directorship** 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Director, Chief Executive Officer - Cane and Sugar and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
Present	Director	TISS Co., Ltd.
Present	Director	Hatai Jaroon Ek Holding Co., Ltd.
Present	Director	3S Holding CO., Ltd.
Present	Director	KTIS Bioenergy Co., Ltd.
Present	Director	KTIS Biogass Power Co., Ltd.
Present	Director	KTIS Research and Development Co., Ltd.
Present	Director	Thai Wisanu Nakornsawan Co., Ltd.
Present	Director	Nakhonsawan Pae Song Nguan Co., Ltd.

Director/Management Position in other companies		
Period	Position	Company
Present	Director	Nakhonsawan Ruamtoon Patthana Co., Ltd.
Present	Director	Thai Identity Sugar Co.,Ltd.
Present	Director	Ruam Toon Warehouse Nakornsawan Co., Ltd.
Present	Director	Ruam Toon Trading Nakornsawan Co., Ltd.
Present	Director	Ruampol Enterprise Co., Ltd.
Present	Director	Ekarat Pattana Co., Ltd.
Present	Director	Environment Pulp and Paper Co., Ltd.
Present	Director	Permsinpattana Co., Ltd.
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.
<b>Other Companies that may cause any conflict of interests to the Company</b>		-None-
<b>Working Background</b>		
2012 – 2013	Director and Chief Executive Officer -Cane and Sugar	Kaset Thai Sugar Industry Co., Ltd.
2010 – 2012	Director and Deputy Managing Director	Kaset Thai Sugar Industry Co., Ltd.



**Name** Mr. Sirapak Siriviriyakul

**Age** 32

**Position** Director and Assistant Director - CEO Office

**Education**

- Bachelor of Education Programs Business Studies, Chulalongkorn University
- Master of Business Administration, Chulalongkorn University

**Seminar on Role and Responsibility** None

**Shareholding (%)** 4.940

**Family Relationship among Company's Directors**

- Son to Mr. Parphan Siriviriyakul
- Grandson to Mrs.Darat Vibhatakalasa
- Grandson to Mr.Prasert Siriviriyakul
- Grandson to Mr.Nathapun Siriviriyakul

**Period of Directorship** 11 months (May 14,2015)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2015 – Present	Director and Assistant Director – CEO Office	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
Present	Director	KTIS Research and Development Co., Ltd.
Present	Director	Siri Charoen Export Co., Ltd.
2015 – Present	Director	Aekphol Sugar Co., Ltd.
2015 – Present	Director	Phoomlert Business Co., Ltd.
2015 – Present	Director	Maehongson Niseko Co., Ltd.
2015 – Present	Director	S.I. Property Co., Ltd.
2012 – Present	Director	Siri Charoen Sapraiwan Co., Ltd.
2010 – Present	Director	S.I. SiriCharoen Co., Ltd.
2008 – Present	Director	Ruamkij Angthong Warehouse Co., Ltd.
<b>Other Companies that may cause any conflict of interests to the Company</b>		-None-
<b>Working Background</b>		-None-

**Name** Mr.Apichart Noochprayoon  
**Age** 44  
**Position** Director and Assistant to Chief Executive Officer  
**Education**

- Bachelor of Economics (International Economics), Chulalongkorn University
- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

**Seminar on Role and Responsibility**

- DAP 96/2012

**Shareholding (%)** 0.000

**Family Relationship among Company's Directors** None

**Period of Directorship** 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2015 – Present	Deputy to Chief Executive Officer -Cane and Sugar	Kaset Thai International Sugar Corporation Pcl.
2013 – Present	Director, Assistant to Chief Executive Officer	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
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.
2015 – Present	Director	KTIS Research and Development Co., Ltd.
2013 – Present	Director	Thaiekaluck Power Co.,Ltd.
2013 – Present	Director	Ruampol Biopower Co., Ltd.
2011 – Present	Director	Kaset Thai Bio Power Co., Ltd.
2000 – Present	Executive Committee	Aekphol Sugar Co., Ltd.
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
2005 – 2015	Deputy Managing Director	Thai Identity Sugar Co.,Ltd.
2005 – 2015	Deputy Managing Director	Ruampol Enterprise Co., Ltd.
2005 – 2015	Deputy Managing Director	Environment Pulp and Paper Co., Ltd.
2013 – 2014	Senior director - engineering	Kaset Thai International Sugar Corporation Pcl.
2012 – 2013	Senior director - engineering	Kaset Thai Sugar Industry Co., Ltd.

Director/Management Position in other companies		
Period	Position	Company
2008 – 2013	Director and Executive Committee	Kaset Thai Sugar Industry Co., Ltd.
2005 – 2012	Deputy Managing Director	Kaset Thai Sugar Industry Co., Ltd.
2015	Director	Siri Charoen Export Co., Ltd.

Name Miss Chua Eng Eng

Age 46

Position Director

Education

- Bachelor of Arts in Economics, National University of Singapore

Seminar on Role and Responsibility

- DAP 96/2012

Shareholding (%) 0.558

Family Relationship among Company's Directors None

Period of Directorship 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Director	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
Present	Director	Eppco Intertrade Co., Ltd.
Present	Director	Siri Charoen Sapraiwan Co., Ltd.
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.
2010 – Present	Director	S.I. Property Co., Ltd.
2004 – Present	Director	King Wan Industries Pte. Ltd.
2002 – Present	Director	Xylem Investments Pte. Ltd.
2001 – Present	Director	King Wan Development Pte. Ltd.
2000 – Present	Managing Director	King Wan Corporation Pte. Ltd.

Director/Management Position in other companies		
Period	Position	Company
1996 – Present	Director	King Wan Construction Pte. Ltd.
1994 – Present	Managing Director	K&W Mobile Loo Services Pte. Ltd.
<b>Other Companies that may cause any conflict of interests to the Company</b>		-None-
<b>Working Background</b>		
2004 – 2014	Director	Ekarat Pattana Co., Ltd.
2003 – 2014	Director	Environment Pulp and Paper Co., Ltd.

**Name** Mr.Sathaporn Kotheeranurak  
**Age** 60  
**Position** Independent Director and Audit Committee

#### Education

- Master of Business Administration Chulalongkorn University
- Diploma in Auditing Thammasat University
- Bachelor in Accounting Rajamangala University of Technology Thanyaburi
- 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 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
- 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
- Financing and Management Development in Market Oriented Economies Year 1998, Australia
- International Forum on SMEs : Acceleration Growth and Enhancing Competitiveness the Knowledge Economy Year 2001, India

#### Seminar on Role and Responsibility

- DAP 35/2009
- ACP 13/2013

**Shareholding (%)** None  
**Family Relationship among Company's Directors** None  
**Period of Directorship** 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Independent Director and Audit Committee	Kaset Thai International Sugar Corporation Pcl.
2009 – Present	Independent Director and Chairman of Audit Committee	Surapon Foods Pcl.
<b>Non-Listed Companies</b>		
2014 – Present	Associate Judge	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	Member of Team, educating for measure of assurance anti-corruption	Office of the National Anti -Corruption
2013 – Present	Advisory Committee Management	Rajamangala University of Technology Thanyaburi
2012 – Present	Member of Sub-committee : Selection the Candidates of NACC Intergrity Awards Consideration	Office of the National Anti -Corruption
2012 – Present	A working group to study measures to cooperate with the government in order to access the network anti- corruption functions to track and monitor fraud on the public	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 Intergrity 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 Management in University Business Incubators	Office of the Higher Education Commission : OHEC

Director/Management Position in other companies		
Period	Position	Company
1995 – Present	Managing Director	Sahaporn & CO Co., Ltd.
1993 – Present	Managing Director	Sungora Co., Ltd.
1993 – Present	Managing Director	Surapon Foods Pcl.
1991 – Present	Managing Director	S.V. Evergreen Co., Ltd.
<b>Other Companies that may cause any conflict of interests to the Company</b>		-None-
<b>Working Background</b>		
2012 – 2015	Independent Director, Chairman of Audit and Corporate Governance Committee and Risk Management Committee	Gunkul Engineering Pcl.
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	Independent Director and Chairman of Audit Committee	Interlink Communication Pcl.
2008 – 2012	Independent Director and Audit Committee	Gunkul Engineering Pcl.
2006 – 2009	Independent Director and Chairman of Audit Committee	Asia Fiber Pcl.
2005 – 2015	Independent Director and Audit Committee	Star Sanitary Ware Pcl.
2005 – 2006	Chairman of Audit Committee	Thailand Management Association
2005 – 2011	Associated Judge	The Central Intellectual Property and International Trade Court
2005 – 2011	Board 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
2002 – 2006	Advisor of Audit Committee	The Federation of Thai Industries
2000 – 2002	Vice President, Tax Business Land and Investment Committee	The Federation of Thai Industries



**Name** Acting Sub Lt. T-rayooth Changpetch  
**Age** 74  
**Position** Independent Director, Chairman of Risk Management Committee and Audit Committee  
**Education**

- Bachelor of Laws, Thammasat University

**Seminar on Role and Responsibility**

- DAP 97/2012
- ACP 41/2012
- MFM 8/2012

**Shareholding (%)** None  
**Family Relationship among Company's Directors** None  
**Period of Directorship** 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Independent Director, Chairman of Risk Management Committee and Audit Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b> -None-		
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
2012 – 2013	Independent Director and Audit Committee	Kaset Thai Sugar Industry Co., Ltd.

**Name** Mr.Issakan Krivitthaya  
**Age** 73  
**Position** Independent Director, Chairman of Nomination  
Remuneration Committee and  
Risk Management Committee

**Education**

- Bachelor of Accounting, Thammasat University
- Master of Economics, North Dagota State University U.S.A
- Certificate, American Institute of Banking (New York) U.S.A.

**Seminar on Role and Responsibility**

- DAP 97/2012
- ACP 41/2012
- MFM 8/2012

**Shareholding (%)** None  
**Family Relationship among Company's Directors** None  
**Period of Directorship** 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Independent Director, Chairman of Nomination and Remuneration Committee and Risk Management Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b> -None-		
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
2012 – 2013	Independent Director	Kaset Thai Sugar Industry Co., Ltd.

**Name** Asst. Prof. Dr. Phoonsak Boonsalee  
**Age** 68  
**Position** Director  
 Nomination and Remuneration Committee

#### Education

- Doctor of Arts (Business Administration), Chaopraya University
- M.A. (PHILOSOPHY) , Kasetsart University
- MBA. (Management) Eastern Asia University

#### Seminar on Role and Responsibility

- DAP 97/2012

**Shareholding (%)** None  
**Family Relationship among Company's Directors** None  
**Period of Directorship** 3 year 3 months (January 29,2013)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Independent Director and Nomination and Remuneration Committee	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
1995 – Present	Director and Chief Executive Officer	Saksiam Phanich Leasing Co., Ltd.
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
2012 – 2013	Independent Director	Kaset Thai Sugar Industry Co., Ltd.

**Name** Mr.Krairit Nilkuha  
**Age** 65  
**Position** Independent Director  
Chairman of Audit Committee

#### Education

- Master of M.Sc. (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

#### Seminar on Role and Responsibility

- ACP 13/2006
- ACP 24/2008

**Shareholding (%)** None

**Family Relationship among Company's Directors** None

**Period of Directorship** 2 year 2months (February 26 ,2014)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2014 – Present	Independent Director	Chairman of Audit Committee Kaset Thai International Sugar Corporation Pcl.
2014 – Present	Director	Solar Power (Surin1) Co., Ltd.
<b>Non-Listed Companies</b>		
2014 – Present	Director	Solar Power (Surin1) Co., Ltd
2014 – Present	Director	Solar Power ( Surin 2) Co., Ltd.
2014 – Present	Director	Solar Power (Loey2) Co., Ltd.
2014 – Present	Director	Solar Power ( Khon Kaen 10) Co., Ltd.
2013 – Present	Director	PEA Encom International Co., Ltd.
2000 – Present	Chairman	Technical Petroleum Training Institute Foundation
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
2013 – 2014	Director	Thai Credit Guarantee Corporation (TCG)
2010 – 2015	Director	Bangchak Petroleum Pcl.
2010 – 2013	Director	PTT Public Company Limited
2009 – 2012	Director-General	Department of Alternative Energy Development and Efficiency
2008 – 2009	Deputy Permanent Secretary	Ministry of Energy

**Name** Mr.Shunsuke Tsujiyama  
**Age** 47  
**Position** Director,Assistant to Chief Executive Officer and  
 Assistant to Chief Financial Officer

**Education**

- College of Economics, Yokohama National University

**Seminar on Role and Responsibility**

- DAP 108/2014

**Shareholding (%)** None

**Family Relationship among Company's Directors** None

**Period of Directorship** 1 year 11 months (May 12, 2014)

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Director, Assistant to Chief Executive Officer and Assistant to Chief Financial Officer	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b> -None-		
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
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 & Beverages Dept.	Sumitomo Corporation Ltd.
1993	Staff Member, Sugar Dep t. (Tokyo)	Sumitomo Corporation Ltd.

**Name** Mrs.Nomchit Acaramelain  
**Age** 57  
**Position** Director – Accounting Department

**Education**

- Bachelor of Accounting, Bangkok University

**Seminar on Role and Responsibility** None

**Shareholding (%)** None

**Family Relationship among Company's Directors** None

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2012 – Present	Director –Accounting Department	Kaset Thai International Sugar Corporation Pcl.
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
2008 – 2012	Assistant to General Manager	Kaset Thai Sugar Industry Co., Ltd.

Name Mr.Suchart Pipattanachaipong

Age 54

Position Company Secretary

Education

- MBA, Ramkhamhaeng University
- Bachelor of Business Administration, Assumption University

Seminar on Role and Responsibility

- CSP 53/2013
- BRP 12/2013
- EMT 30/2014
- CRP 8/2014

Shareholding (%) 0.000

Family Relationship among Company's Directors None

Director/Management Position in other companies		
Period	Position	Company
<b>Listed Companies</b>		
2013 – Present	Company Secretary	Kaset Thai International Sugar Corporation Pcl.
<b>Non-Listed Companies</b>		
Present	Director	Kaset Thai Bio Power Co., Ltd.
Present	Director	Kaset Thai Bio Fertilizer Co., Ltd.
<b>Other Companies that may cause any conflict of interests to the Company</b> -None-		
<b>Working Background</b>		
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.
1989 – 1994	Deputy to Factory Manager	Kaset Thai Sugar Co., Ltd.



The disclosure of director's shareholding by showing the number of shares during the year 2015.

Name	Position	Shares held on Dec 31, 2014	During 2015 Number of Shares (Shares)				Shares held on Dec 31, 2015	Total Percentage of Voting Shares(%)	Remark
			Buy	Sell	Transfer In	Transfer Out			
1. Mr. Pricha Attavipach	Chairman	5,070,700	200,000	-	-	-	5,270,700	0.137	Bought additional 200,000 shares during the year 2015
2. Mr. Sirivuthi Siamphakdee	Vice-Chairman	-	-	-	-	-	-	-	None
3. Mr. Parphan Siriviriyakul	Director	-	-	-	-	-	-	-	None
4. Mr. Nathapun Siriviriyakul	Director	100	-	-	27,215,900	-	27,216,000	0.705	Received stock transfer from spouse 27,215,900 shares during the year 2015
*Spouse and Minor Children	-	27,215,900	-	-	-	27,215,900	-	-	
5. Mrs. Darat Vibhatakalasa	Director	12,349,900	-	-	-	-	12,349,900	0.319	
6. Mr. Prasert Siriviriyakul	Director	5,832,000	-	-	-	-	5,832,000	0.151	
*Spouse and Minor Children		5,832,000	-	-	-	-	5,832,000	0.151	
7. Mr. Phoonsak Boonsalee	Independent Director	-	-	-	-	-	-	-	None

Name	Position	Shares held on Dec 31, 2014	During 2015 Number of Shares (Shares)				Shares held on Dec 31, 2015	Total Percentage of Voting Shares(%)	Remark
			Buy	Sell	Transfer In	Transfer Out			
8. Mr.Apichart Noochprayoon	Director	500	-	-	-	-	500	0.000	
9. Mr.Shunsuke Tsujiyama	Director	-	-	-	-	-	-	-	None
10. Ms. Chua Eng Eng	Director	21,544,000	-	-	-	-	21,544,000	0.558	
11. Mr. Krairit Nilkuha	Independent Director/ Chairman of Audit Committee	-	-	-	-	-	-	-	
*Spouse and Minor Children		100,000	-	-	-	-	100,000	0.003	
12. Mr.Sathaporn Kotheeranurak	Independent Director/ Member of Audit Committee	-	-	-	-	-	-	-	None
13. Acting Sub Lt. T-rayooth Changpetch	Independent Director/ Member of Audit Committee	-	-	-	-	-	-	-	None
14. Mr. Issakan Krivithaya	Independent Director	-	-	-	-	-	-	-	None
15. Mr.Sirapak Siriviriyakul	Director	190,200,000	498,000	-	-	-	190,698,000	4.940	Bought additional 498,000 shares before appointment on May 14,2015

## Details of Subsidiaries' Directors

Company	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Kaset Thai International Sugar Corporation Pcl.	X	I, II, V, IV	I, II, V, VI	I, II, V, IV	I, II, V, IV	I, II, V, IV	I, III, IV	I, III, IV	I, VI, IV	I, VI	I	I	I	I	I, III	V

### Subsidiaries

Kaset Thai Bio Power Co., Ltd	X, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Thai Identity Sugar Co., Ltd		X, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Ekarat Pattana Co.,Ltd	X, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Environment Pulp and Paper Co., Ltd		X, V			I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Permsinpattana Co., Ltd		X, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Kaset Thai Bio Fertilizer Co., Ltd				X, V		I, V										
Thaieakluck Power Co., Ltd	I, V	X, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Sapsirikaset Co., Ltd		X, V			I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Ruampol Bio Power Co., Ltd	X, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Lopburi International Sugar Co., Ltd		X, V			I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Lopburi Bioethanol Co., Ltd		X, V			I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
Lopburi Biopower Co., Ltd		X, V			I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V
KTIS Bio Energy Co., Ltd		I, V		X, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V	I, V



**KTIS**  
More Than Sugar

[illegible]

### Remark (1)

x = Chairman	1. Mr.Pricha Attavipach	9. Mr.Issakan Krivitthaya
I = Director	2. Mr.Parphan Siriviriyakul	10. Asst.Prof.Dr.Phoonsak Boonsalee
II = Executive Director	3. Mrs.Darat Vibhatakakasa	11. Mr.Sirapak Siriviriyakul
III = Audit Committee	4. Mr.Sirivuthi Siamphakdee	12.Mr.Apichart Noochprayoon
IV = Risk Management Director	5. Mr.Nutthapun Siriviriyakul	13. Mr.Shunsuke Tsujiyama
V = Executive	6. Mr.Prasert Siriviriyakul	14. Miss Chua Eng Eng
VI = Nomination and Remuneration Director	7. Mr.T-rayooth Changpetch	15. Mr.Krairit Nilkuha
VII = Controlling Person	8. Mr.Sathaporn Kotheeranurak	16. Mrs.Nomchit Acaramaekin

### Remark (2)



# 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 50 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. In 2015, the Company has increased its registered capital to Baht 3,888,000,010 and paid up capital Baht 3,860,000,010.

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 has the production capacity 15,000 tonnes of powder per year, 6,150 tons of pellets per year and 200,000 m3 of water per year.

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.

In August 2015, the Board of Directors approved the establishment of: (1) Kaset Thai Wiwat Co., Ltd. (“KTW”) to support KTIS Group’s asset management, and (2) KTIS Research and Development Co., Ltd. (“KTIS R&D”) to support KTIS Group’s businesses and its growth aspiration.

## 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 have new power plants to be operated by TEP and RPBP with the capacity of 50 MW each in Uttaradit province and Nakhonsawan province.

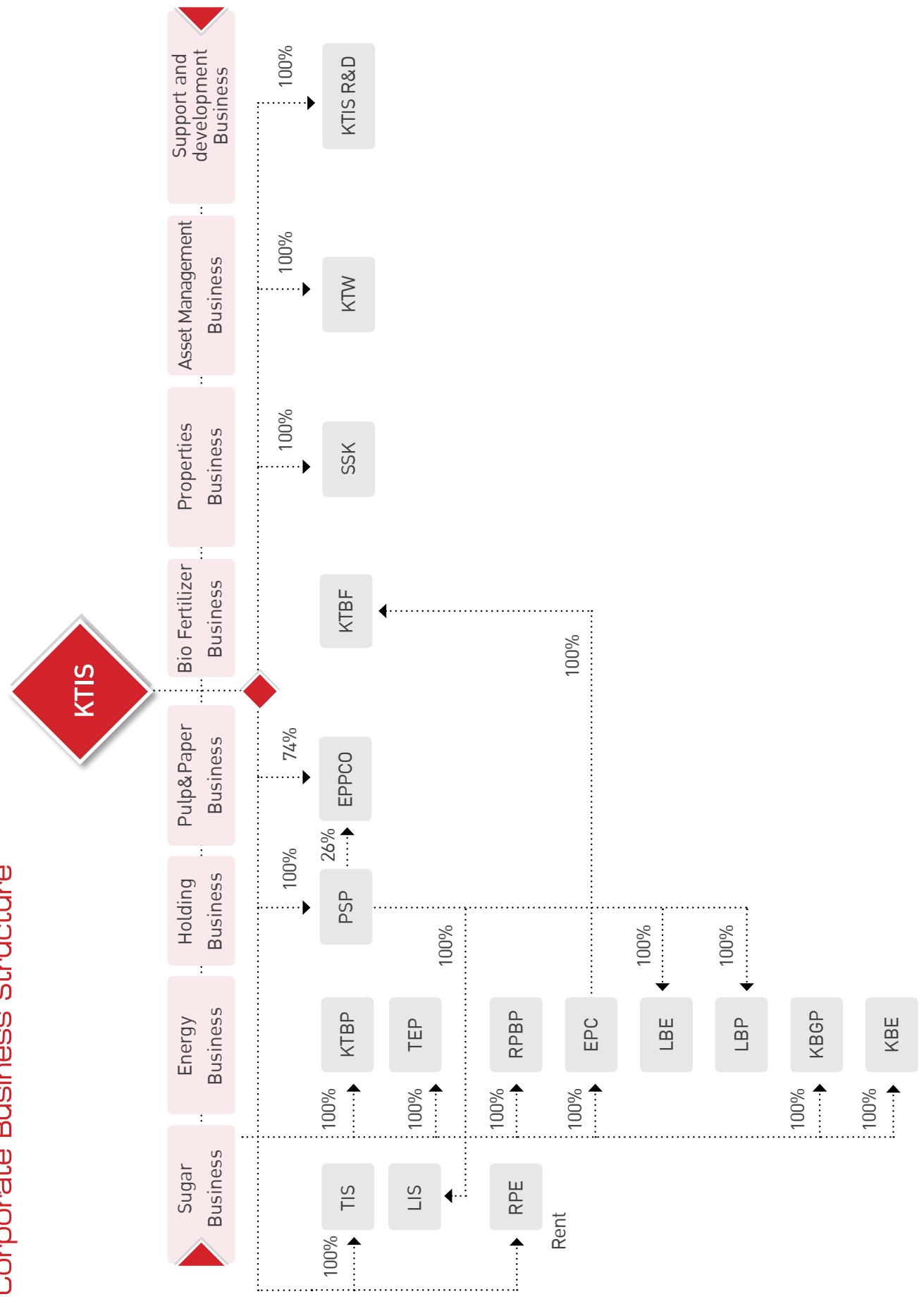
#### (4) Bio fertilizer Production and Distribution Business

The Company operates bio fertilizer production and distribution business through KTBF and uses recycling filter cake from sugar production process and vinasse from the biogas and ethanol production process into soil conditioner and organic fertilizer products. KTBF has 3 types of bio fertilizer products: powder, pellets and water.

Presently, the Company had invested in 16 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 <sup>1</sup>
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	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	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
Kaset Thai Wiwat Co., Ltd. ("KTW")	Support company's asset management	100.0
KTIS Research and Development Co., Ltd. ("KTIS R&D")	Support company's businesses and its growth aspiration.	100.0

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





# Nature of Business

## Revenue Structure

In 2015, 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 :

	2013		2014		2015	
	Revenue (MB)	%	Revenue (MB)	%	Revenue (MB)	%
1. Sugar and molasses sales revenue						
• Domestic	5,701.5	31.6	5,902.5	29.3	6,404.8	33.1
• International	8,525.1	47.2	9,741.9	48.4	8,713.5	45.1
Benefit from production and distribution of sugar	-	-	-	-	222.4	1.2
Total sugar and molasses sales revenue	14,226.6	78.8	15,644.3	77.8	15,340.6	79.4
2. Total sugar and molasses sales revenue						
• Domestic	319.6	1.8	424.2	2.1	323.8	1.7
• International	1,176.0	6.5	1,174.0	5.8	981.7	5.1
Total pulp sales revenue	1,495.6	8.3	1,598.2	7.9	1,305.5	6.8
3. Ethanol sales revenue						
• Domestic	1,433.1	7.9	1,740.3	8.6	1,638.6	8.5
• International	112.3	0.6	0.0	0.0	0.0	0.0
Total ethanol sales revenue	1,545.4	8.6	1,740.3	8.6	1,638.6	8.5
4. Other sales revenue						
• Electricity sales revenue	263.6	1.5	616.0	3.1	538.3	2.8
• Revenue from other sales and services	520.5	2.9	521.3	2.6	505.2	2.6
Total other sales revenue	784.1	4.3	1,137.2	5.7	1,043.6	5.4
<b>Total revenue</b>	<b>18,051.7</b>	<b>100.0</b>	<b>20,120.1</b>	<b>100.0</b>	<b>19,328.2</b>	<b>100.0</b>

Source: The Company's financial statements.

## Business Goals

The Company is committed to continuous development to build a solid foundation for its sustainable growth and development and to become a leading organization in vertical integration from Agricultural products to Industrial products by expanding our internal and external business links. The Company aim to create a superior value chain for the Company's businesses which include sugar and sweetener production, biomass power generation, ethanol production, bagasse pulp production, and soil conditioner production. All of the Company's products and by-products are eco-friendly and safe for consumers.

### Business Goals :

#### 1. Leader of Cane Business

The Company initiated a wide range of activities with an aim of developing the upstream businesses. Such activities include the cane breeding selection, the application of cane plantation management technology, the technical training for cane farmers, the development of farming tools and machineries, the use of soil conditioner which is a by-product, and the use of cane leave as biomass feedstock, which altogether lead to the strengthen in security of supplies used in the production process.

#### 2. Leader of Sugar Business

The Company has consistently invested in the sugar production business. Thanks to its massive production capacity, the Company commercially benefits from the economies of scale driven by its production effectiveness, lower costs of energy, and added value of products. Raw sugar is processed into high quality refined sugar and liquid sucrose for the food industry. This is an example of how the Company adds value to its products and reflect the Company's leadership in the sugar industry.

#### 3. Leader of Bio Energy Business

With the expansion of its biomass power plant business, the Company has a large-scale electricity production capacity and earned extra income from its power generation business. Bagasse, which is a by-product of the sugar production process, and cane leaves supplied by cane farmers are used as biomass feedstock, complementing the integrated value chain of our industrial and agricultural businesses.

#### 4. Leader of Bio Product Business

The Company has allocated investment to the development of bagasse pulp products into high-quality and food-grade packages to add value to the Company's business and the society at large.

#### 5. Leadership of Ethanol Business

For value-added creation, the Company uses molasses to produce fuel-grade and industrial-grade ethanol; and enhances its ethanol production process to effectively generate and make use of bio gas which is a by-product from the ethanol production. As a result, the Company's production and business chains are fully integrated and eco-friendly at every step, and contributes to the Company's leadership in this business.

## 6. Leadership in Soil Conditioner Business

By-products from the sugar and ethanol production processes are developed into soil conditioners to create added value. Using the soil conditioners enriches the soil quality, the farmers can save farming costs and increase the productivity effectively.

### Journey to Sustainable Growth :

#### 1. Research and Development

The Company has invested in research and development initiatives, focusing on the cane breed improvement, and the development of energy crops, production technologies and machinery to sustain its growth momentum and leadership in the business complex through the diversification of products in consistent with the word “More Than Sugar”. The company’s portfolio includes the cane business, agricultural business, sugar and sweetener manufacturing business, biomass power business, and biomass product business.

#### 2. Development of Cane Farmers, Cane Farmer Network, and Raw Material Source

The Company has substantially invested in technical and R&D projects with a view to enhance the knowledge of cane farmers and the members of farmer network. In addition, the Company extended financial support to cane farmers to boost productivity in terms of the cane output per rai and the plantation area expansion. In addition to creating greater job opportunities for agricultural workers, the Company has also introduced and integrated advanced farming technologies to develop agriculture to new horizon. Farmers are encouraged to work as partners who help each other.

#### 3. Personnel Development

Human resources are one of its greatest assets for the Company and employees at all levels are continuously provided with learning opportunities which can help sharpen their functional skills and complement their repertoire. Employees are encouraged to invent and be involved in innovation projects. As a part of its proactive human resources management process, the Company has worked with local and central educational institutes to offer opportunities to learn skills and knowledge relevant to the Company’s business to students to build a pool of qualified candidates.

### Journey to Professional Integrity and Corporate Governance :

#### 1. Corporate Transparency

The Company has in place the Corporate Governance Handbook and has properly disclosed relevant information in accordance with applicable requirements in the spirit of transparency and integrity. As a result, every step of the Company’s processes is verifiable. The Company respects all of its stakeholders which include shareholders, executives, investors, employees, farmers, clients, suppliers, contractors, communities, governmental agencies, etc. In addition, the Company’s activities have been regularly audited by internal auditors and external auditors who are independent.

## 2. Contribution to Social, Educational and Environmental Development

The Company has put importance to activities which contribute to the development of the society, education, and environment, and has encouraged relevant parties to join such activities. The Company's corporate social responsibility programs such as "The Home, Temple, School and Factory Participation Program" which the participated local temples, communities and schools will be trained proper sugar cane farming knowledge. The society will be more wealthy from sugarcane and breeding species.

"The Green Village Program" will also bring benefits for the participated farmers and communities by joining hands in the fire prevention from burning cane during harvesting season. From the program the farmers will get better price by selling unburned cane. The factory will get better cane quality and also the reduction of pollution from smoke of fire on society etc.

## 3. Promotion of Health and Occupational Safety

The wellness, life quality, and safety of the employees and surrounding communities are one of the Company's main focuses which the Company has to strictly comply with the Health and Safety Law. Additional to the Law, the Company set up the teams to visit the community leaders, the religious leaders, including the nearby schools, and provide periodic medical check-up services to the residents of nearby communities. These activities has become the Company normal and continuous practice.

## Nature of Business

### 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.

#### 1. Raw Sugar

Raw sugar crystals are dark brown in color and the color index of raw sugar ranges from 1,001- 3,800 ICUMSA<sup>1</sup>. 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.

#### 2. 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.

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<sup>1</sup> ICUMSA is a standard unit for measuring sugar color factor. Sugar with higher purity has lower color index level.

### 3. 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 require 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 <sup>2</sup> (%)	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.

## Sugar : Market Conditions and Competition

### Global Market Conditions

Sugar is one of the most important commodities in the world. Major sugar producers are Brazil, India, European Union, Thailand and China. Asia is the continent that records the highest sugar output, accounting for 36.7% of the global output in the production year 2014/2015. Thailand is the world's 4th largest sugar producer but the domestic sugar consumption rate of Thailand is relatively small for its production. As a result, Thailand can export sugar in large quantity, being the 2<sup>nd</sup> largest sugar exporting country in the world.

### Major Changes in Global Sugar Market in Past Decade

#### 1. 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 significant increase in the country's sugar exports. As Brazil is the largest exporter in the world market, any factors affecting Brazilian sugar industry, will have material impact on the global sugar market such as the movement of Brazilian Real, Brazil's sugar and ethanol policies etc.

## 2. 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. From 2017, EU will abandon the regulation which had been limiting their sugar production and expected to resume exports.

## 3. Asian Economic Growth

The continuous economic growth of Asian countries, especially 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.

## 4. Higher Investment in Commodity Markets by Funds and Speculators

During the past 5-10 years, funds and speculators have increased their investment in commodity markets, especially agricultural commodities and sugar commodities. This has intensified the sugar price volatility and influence from non-fundamental factors, such as macro market, technical indicators, currencies, and ethanol parity.

## 5. Sugar Demand and Supply

In 2014/2015, the global sugar output was forecast at approximately 185.2 million tons, increasing from 183.3 million tons while the consumption was expected to increase to approximately 178.1 million tons, 1.9% higher than the previous year's consumption of 174.7 million tons. The sugar supply surplus which has persisted for 5 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 to decline to 175.6 million tons while the consumption should continue to grow to 180.0 million tons. The world supply/demand is expected to be deficit.

In 2015/16, Asia is the biggest sugar producer and recorded the output of approximately 67.9 million tons in the production year 2014/2015, accounting for 36.7% of the global sugar output, followed by South America which produced approximately 46.4 million tons or 25.1% of the global sugar output.

Source: LMC International, Sugar and Sweeteners Market Report, Fourth Quarter 2015.

In the production year 2014/2015, Thailand produced 11.30 million tons of sugar while the domestic demand was only 2.5 million tons, leading to the excess of 8.80 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 2014/2015, Thailand have 50 sugar mill and recorded the total sugar output of 11.30 million tons as shown below:

Producer	Number of Sugar Factory of Each Producer	Sugar Output (Ton)	Market Share (%)
Mitr Phol Sugar Group	6	2,302,862.50	20.37
Thai Roong Ruang Sugar Group	7	1,595,175.46	14.11
KTIS Group	3	991,570.20	8.77
Khon Kaen Sugar Group	5	914,458.06	8.09
Korat Industry Sugar Group	2	641,467.80	5.67
Wangkanai Sugar Group	4	562,890.45	4.98
Cristalla Sugar Group	3	529,482.29	4.68
Banpong Sugar Group	2	436,084.24	3.85
Kumphawapi Sugar Group	2	404,824.93	3.58
Thai Kanchanaburi Sugar Group	2	326,341.11	2.88
Mitr Kaset Sugar Group	2	251,528.61	2.22
Khonburi Sugar Group	1	236,721.26	2.09
Others	11	2,108,212.40	18.65
<b>Total</b>	<b>50</b>	<b>11,301,619.32</b>	<b>100</b>

Source: 2014/2015 Cane and Sugar Production Report as of the End of Cane-Crushing Period, Office of Cane and Sugar Board.

## Sugar : 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.

### Sugar : Distribution Channel :

#### 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					
	2013 (Sales Record)		2014 (Sales Record)		2015 (Sales Record)	
	Quantity <sup>1</sup> (Ton)	%	Quantity <sup>1</sup> (Ton)	%	Quantity <sup>1</sup> (Ton)	%
Beverage Industry	97,847.00	47.1	93,325.05	45.8	93,879.85	44.8
Food Industry	19,987.00	9.6	19,597.05	9.6	27,758.15	13.2
Dairy Products Industry	89,042.00	42.9	90,835.95	44.6	87,244.15	41.6
Candy	744.00	0.4	31.00	0.01	744.00	0.4
<b>Total</b>	<b>207,619.00</b>	<b>100.0</b>	<b>203,789.95</b>	<b>100.0</b>	<b>209,626.15</b>	<b>100.0</b>

Source: KTIS

<sup>1</sup> 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.

## 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.

### 1. 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.

### 2. 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.

## Bleached Bagasse Pulp : Market Conditions and Competition :

### Global Market

The global economic slowdown in 2015 had wide-scale impact on the pulp and paper industry, especially printing and writing paper, which was plagued with oversupply and decreasing purchase orders. Despite excessive supply, short fiber pulp from the producers in the Latin America strived to increase the pulp prices. Although, due to their clients could not increase the prices of finished products, their attempts met little success. Consequently, the selling price of long fiber pulp has declined by USD 45 per ton from Q1/2015 to Q4/2015. By the way, the price of short fiber pulp rose by USD 55 per ton between Q1/2015 and Q4/2015.

## 1. Selling Price of Pulp in November 2015

In Chinese market, the selling price of long fiber pulp plummeted from USD 695-715 per ton recorded in November 2014 to USD 580-600 per ton in November 2015 while the price of short fiber pulp increase, i.e. from USD 560-580 in November 2014 to USD 580-660 in November 2015. For other East Asian markets, the price of long fiber pulp decreased from USD 730-750 in November 2014 to USD 610-640 in November 2015, while the short fiber pulp increased from USD 565-580 in November 2014 to USD 615-640 in November 2015.

Source: PPI ASIA's report as of 4 December 2015.

## 2. 2016 Global Market Outlook

The paper and pulp industry outlook in 2016 trend to be in slow growth due to global economy shows no sign of recovery and the oversupply of pulp and paper. As a result, it is forecast that the pulp price will not significantly rise, especially bleached eucalyptus wood pulp.

On the back of additional investments in the production capacity, North America will see the increase of approximately 1.9 million tons in long fiber pulp production while Latin America's eucalyptus short fiber pulp production will rise by approximately 1.25 tons. The volume of Acacia short fiber pulp from Indonesia will grow by 3.2 million tons. Demand for printing and writing paper will not change much, except for the paper for newsprint which potentially decrease by 2%.

It is expected that the forthcoming economic integration of AEC countries in early 2016 will have positive effect on the inter-trade volume of the region. In addition to the freer flow of labor, larger volume of tourism and business trips, higher level of consumption of commodities including sanitary paper products and packaging supplies are expected. Coupled with the normal level of demand growth from each country, the demand for pulp is anticipated to increase in this region. Nonetheless, the persistent oversupply of short fiber pulp which is expected to continue throughout 2016 will have pressure on the price of short fiber pulp which tends to marginally increase.

## Bleached Bagasse Pulp : Domestic Market

In Q3/2015 overview, the production of the pulp, paper and printing material industry were increased in consistent with the stimulation of Thai Government economic policy. The export of pulp also increased, but the export of paper, paper product, book and printing material industry decreased due to the declining demands and the economic slowdown of trading partners. The import value of pulps increased while the paper, paper products, books and printing materials shrunk.

### 1. Production

- In Q3/2015, the production indices of the pulp, cardboard and craft paper products recorded the YOY growth of 4.76%, 0.62% and 8.12% respectively (Table 1), thanks to the domestic demand for paper packaging products from the downstream businesses such as cosmetics and other consumer products which was driven by the Thai government's stimulus program. The production index of corrugated paper shrunk 4.6% due to the weaker demand from the downstream business. The printing and writing paper's production index also declined by 5.88% due to the declining consumer demand.

- In Q3/2015 QOQ-wise, the production indices of the pulp, cardboard and craft paper products rose 12.45%, 3.37% and 1.42% respectively as a result of the seasonal demand surge during Christmas and New Year. On the contrary, the production index of printing and writing paper decreased 1.77% amid the growing paperless trend and the declining popularity of printed media. The production index of the craft paper also lowered by 1.47% due to the excessive inventory on hand remaining from the previous quarter.
- In Q3/2015, there were 14 paper packaging production plants applied for the license to establish factories and 2 plants for expanding their capacity while there were 9 plants closed operation, reflecting the rising demand for paper packaging. As regards the printing plants, there were 8 new printing plants and 5 plants expanded while 6 plants closed down. Most of the printing business operators are of small to medium size which are suitable for the current business landscape as the small-lot production from SMEs is on rise, and as to reduce the risk of business failure.

## 2. Export

- 11.40% YOY and 14.48% QOQ, in tandem with the production increase. This growth was driven by the higher pulp demands from the USA and Europe, especially from the paper manufacturers plants owned by Thai company in France.
- Paper and paper products – In Q3/2015, the export value was USD 399.78 million, decreasing 4.71% YOY and 4.46% QOQ, due to the lower volume of export to major Asian markets, such as Vietnam, Indonesia and South Korea, caused by the economic slowdown.
- Books and printing materials – In Q3/2015, the export value was USD 16.24 million, down 25.06% YOY, due to subdued demand from overseas countries such as USA, England, Indonesia, Japan and Singapore. The export volume and value of brochures, pamphlets, picture books, drawing or coloring books for children, graphic prints and photos decreased partly due to the growing popularity of digital media over hard copies. However, the volume was 7.91% higher than the level recorded in Q2/2015. Products which grew in export volume were brochures, pamphlets and magazines, as the year-end festive season was approaching, including cheque books and inventory sheets to Vietnam.

## 3. Import

- Pulp and paper scrap – In Q3/2015 the import value was USD 175.05 million, up 5.52% YOY and 3.52% QOQ, primarily from the import of long fiber pinewoods from Europe to produce paper and paper products due for the year end.
- Paper and paper products – In Q3/2015, the import value was USD 359.58 million, declining 2.69% YOY and 4.81% QOQ. The lower import was seen in the paper for newsprint, craft paper, and cardboard, partly due to the availability and sufficiency of domestic supplies.
- Printing materials – In Q3/2015, the import value was USD 55.45 million, down 12.05% YOY. Decreases in import value were seen in journals, magazines, maps and postcards due to the growing popularity of digital media over hard copies. However, the import of printing materials increased 3.74% QOQ. Products which grew in import volume include graphic prints and photos as there were numerous concerts by internationally-renowned artists in Thailand.

#### 4. Relevant Government Policies

- The digital economy policy will transform Thailand's communication, manufacturing, business activities, consumption, and social and economic activities through the development of information and communication technology infrastructure and stimulated by the government's integrated digital ecosystem initiative. These developments will change the competition from price preferential to value added and service innovation for the highest level of customer satisfaction. Printing business entrepreneurs will have to adjust themselves and move towards creative printing business, integrating technologies with printing.
- The Ministry of Finance is considering the Thai Pulps and Paper Industries Association's petition for the adjustment of the export duty on the eucalyptus, which is currently 0%, to more appropriate rate to promote fair competition and to prevent and solve the shortage of eucalyptus, which is used in the pulp production. As there were some buyers paid eucalyptus at higher price and sold to eucalyptus pulp factory for producing and exporting pulp to Japan.

#### 5. Overview and Outlook

- As regards the pulp and paper production, the production indices of the pulp, cardboard and craft paper products increased YOY on the back of the rising domestic demand for paper packaging products from the downstream businesses which was driven by the Thai government's stimulus programs. The production indices of corrugated paper and printing and writing paper declined following the weaker demand for packages for export from downstream businesses in tandem with the slowing global economy. Nonetheless, QOQ-wise, the production indices of the pulp, cardboard and craft paper products rose as a result of the seasonal demand surge during Christmas and New Year. On the contrary, the production index of printing and writing paper decreased amid the growing paperless trend and the declining popularity of printed media. The production index of the craft paper also lowered due to the excessive inventory on hand remaining from the previous quarter.
- The export volume of pulp increased YOY and QOQ in tandem with the production increase, especially the export to the Thai paper manufacturers in France. The export volume of paper and paper products declined YOY and QOQ due to the lower volume of export to major Asian markets, such as Vietnam, Indonesia and South Korea, caused by the economic slowdown. The export volume of books and printing materials dropped YOY partly due to the growing popularity of digital media over hard copies. However, the QOQ export performance improved, driven by seasonal demand at the year-end.
- The import volume of pulp and paper scrap increased YOY and QOQ, primarily from the import of long fiber pinewoods from Europe to produce paper and paper products. The import volume of paper and paper products slowed down YOY and QOQ partly due to the availability and sufficiency of domestic supplies. As for the printing materials, the import volume decreased YOY as a result of the growing popularity of digital media over printed media, but increased QOQ on the back of stronger needs for graphic prints and photos as there were numerous concerts by internationally-renowned artists in Thailand.

--Office of Industrial Economics, Ministry of Industry--



## Bagasse Market Condition in 2015

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.

Despite the Company's lower production volume and higher selling prices of bagasse pulp in 2015, the demand from domestic and overseas markets did not recede. It is anticipated that the output volume in 2016 will be relatively flat as compared to the previous year and may cause the production costs and the selling prices to rise.

The table below shows information about Thailand's leading pulp manufacturers in 2015.

Manufacturer	Production (1,000 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
<b>Total</b>	<b>1,232</b>	

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

### Bleached Bagasse Pulp : 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.

## 2. 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.

### Bleached Bagasse Pulp : Distribution Channel :

#### 1. 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.

#### 2. 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.

## 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.

### Ethanol : Market Conditions and Competition :

#### 1. Global Market Conditions

The ethanol prices in the USA and Brazil fell 23.1% and 35.0% YOY respectively in tandem with the plunge of oil price and production costs. It is likely that the ethanol price will slightly increase in positive correlation with the sugar price. Even though Brazil, which is the world's major ethanol exporter possibly decelerate its sugarcane ethanol production, because of the low crude oil price, and the price is expected to range from USD 0.40 – 0.55 per liter.

[Source: Thai Ethanol Price Movement Update for Q3/2015, Bank of Thailand]

#### 2. Ethanol : Domestic Market Conditions

The Thai ethanol reference price increased 1.4% due to higher cost and demand, driven by the government's promotion of alternative fuel consumption. At present, the domestic demand for ethanol is approximately 3.6 million liters per day, up 5.9% YOY, thanks to the growing domestic tourism and car usage. In Q3/2015, the cumulative consumption of gasohol was 2,344.5 million liters and benzene was 146.9 million liters.

On 17 September 2015, the Energy Policy and Planning Office (EPP0) approved the Alternative Energy Development Plan for 2015 – 2036 (known as AEDP 2015) which aims to encourage the proportion of the alternative energy consumption from the current level of 11.9% of Thailand's total energy demand to 30% by 2036. The ethanol production and consumption need to be increased to 11.3 million liters per day or approximately 4,125 million liters per year in 2036 backed with a solid ethanol consumption promotion strategy. To this end, the levy on gasohol for the national fuel fund has been adjusted to an appropriate level to motivate the consumers to use the ethanol-blended E20 and E85.

At present, Thailand can annually produce 1,098 million liters of ethanol from molasses and 522 million liters from cassavas. Thailand will have to triple its ethanol production to be able to meet the targeted ethanol consumption level under the AEDP 2015.

In 2015, there are a total of 21 ethanol production plants commercially operating in Thailand with the daily output capacity of 5.04 million liters in aggregate. The average ethanol demand is 3.6 million liters each day. Nonetheless, only a limited number of ethanol producers can operate at full capacity 365 days a year, the daily average output is less than the actual capacity. The major ethanol producers are:

	Company	Capacity	Production Material
1	Mitr Phol BioFuel Co., Ltd.(Chaiyaphum)	500,000	Molasses
2	E85 Co., Ltd.	500,000	Cassava /Starch
3	Ubon Bio Ethanol Co.,Ltd	400,000	Cassava /Cassava Chips
4	Thai Agro Energy Pcl.	350,000	Cassava Chips / Molasses
5	Khon Kean Alcohol Co.,Ltd (Bo Ploi)	300,000	Molasses
6	Taiping Ethanol Co Ltd.	300,000	Cassava
7	Ekarat Pattana Co.,Ltd	230,000	Molasses
8	Mitr Phol BioFuel Co., Ltd.( Kalasin)	230,000	Molasses
9	Maesod Clean Energy Co., Ltd.	230,000	Cane juice
10	Thai Sugar Ethanol Co.,Ltd	200,000	Molasses
	Other	1,800,000	
	<b>Total</b>	<b>5,040,000</b>	

Source : Department of Alternative Energy Development and Efficiency

## Ethanol : 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.

#### Ethanol : Distribution Channel :

##### 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<sup>2</sup>, are PTT Pcl., Thai Oil Pcl. and Bangchak Petroleum Pcl. As of 31 December 2015, revenue from domestic sales of fuel alcohol accounted for 100% of the total annual revenue from ethanol sales.

##### 2. [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.

#### Electricity Generation and Distribution Business

The Company's sugar factories and bleached bagasse pulp factories are equipped with electricity and steam generating modules which use bagasse, a byproduct from sugar production, 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). Kaset Thai Bio Power Co.,Ltd. (KTBP) has 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

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<sup>2</sup> Under Section 7, Chapter 1 Fuel Trade and Transportation of the Fuel Trade Act B.E. 2543, fuel traders whose total fuel trade volume, either in a particular fuel type or all types combined, equals 100,000 metric tons per year or higher, or fuel traders of only liquefied petroleum gas whose total trade volume equals 50,000 metric tons per year or higher must hold license granted by the Minister.

## Market and Competition – Electricity Business :

### 1. Domestic Market and Industry

The Ministry of Energy and the Electricity Generating Authority of Thailand have jointly formulated a national power development plan which was approved by the Energy Policy and Planning Office (EPPO) on 8 June 2012 and by the Cabinet on 19 June 2012. Following the new government's policy announcement in late 2014, the Thailand Load Forecast and Power Development Plan Subcommittee formulated a new national power development plan, known as the Power Development Plan 2015 (PDP 2015), to respond to the changing economic growth trend, the government mega infrastructure projects, and the ASEAN Economic Community (AEC) integration in 2015 which would inevitably affect Thailand's overall electric consumption rates. The Ministry of Energy has developed the Thailand Integrated Energy Blueprint which is comprised of the following 5 master plans:

- 1) Thailand Power Development Plan (PDP);
- 2) Energy Efficiency Development Plan (EEDP);
- 3) Alternative Energy Development Plan (AEDP);
- 4) Natural Gas Management Plan; and
- 5) Oil Management Plan

The Thailand Integrated Energy Blueprint and the Power Development Plan for 2015 – 2036 (PDP 2015) will focus on the following:

1) Energy security – Thailand must have a secure supply of electricity that is sufficient for the demand growth under the National Economic and Social Development Plan, including the economic growth, population growth, urban sprawl, and fuel diversification.

2) Economy – The electricity production costs must be appropriate and acceptable for the general consumers and industrial consumers as electricity is a major infrastructure for Thailand's long-term economic growth and social prosperity. Energy efficiency across different sectors will contribute to Thailand's lesser need for new power plants and fuel imports.

3) Ecology – To minimize the ecological impact, the amount of carbon dioxide per kilowatt emitted by power plants will be reduced.

The PDP 2015 aims to strengthen the security of electricity supply through fuel diversification, minimization of dependence on natural gas, increase of electricity generation from clean coal technology, electricity import and renewable energy. Together with the development of the electricity transmission system and structure for supporting the alternative energy development trends to the AEC integration.

Thailand's PDP 2015 was reviewed and endorsed by the Energy Regulatory Commission (ERC) on 6 May 2015, approved by the EPPO at its meeting number 2/2015 held on 14 May 2015, and acknowledged by the Cabinet on 30 June 2015.

The PDP 2015 is aligned to Thailand's national economic development direction espoused by the Office of National Economic and Social Development Board (NESDB) which forecast that Thailand's long-term annual GDP growth would be 3.94% per year and that the electricity consumption would decrease by approximately 89,672 GWh by 2036 as a result of the energy conservation plan. In addition, Thailand will promote the renewable and alternative energy development in each zone to maximize their potentials. This will include the electricity generation from waste, biomass, biogas, and renewable resources such as wind and solar energy. Also, the electricity transmission and distribution system of the 3 electricity authorities in renewable energy zones, in addition to the smart grid system, will be upgraded to optimize the renewable energy generation.

## 2. Domestic Electricity Use

Thailand's most recent peak demand, according to the EGAT's 2014 statistics, was recorded at 26,942.1 MW at 2:26 p.m. on Wednesday 23 April 2014 when the temperature was 37.5 degree Celsius, increasing by 334 MW or 1.29% from the peak load reported in 2013.

## 3. Domestic Electricity Generation Capacity

As of the 31 December 2014, Thailand's electricity generation capacity totaled 37,612 MW, divided into 34,668 MW from power producers having firm contracts with EGAT, 915 MW from SPPs with non-firm contracts, and 2,029 MW from VSPP. Details are as shown below:

### 1. By Type of Power Plant

Combined Cycle Power Plant	21,145 MW	56.2%
Thermal Power Plan	7,538 MW	20.0%
Renewable Energy Power Plant	8,476 MW	22.5%
Gas Turbine Power Plant and Diesel Engine Power Plant	153 MW	0.5%
Thailand-Malaysia Powerline	300 MW	0.8%
<b>Total</b>	<b>37,612 MW</b>	

### 2. By Producer

EGAT	15,482 MW	41.2%
Independent Power Producer (IPP)	13,167 MW	35.0%
Small Power Producer (SPP)	4,530 MW	22.5%
Very Small Power Producer (VSPP)	2,029 MW	5.4%
Electricity Import	2,404 MW	6.4%
<b>Total</b>	<b>37,612 MW</b>	



The forecast of Thailand's electricity demand during the period of 2014 – 2036 based on the annual GDP growth of 3.4% projected by NESDB, population growth of 0.03% per year, will target to decrease the electricity use by 89,672 GWh by 2036, and the projected electricity output of 19,634.4 MW replaced by Alternative Energy Development Plan (AEDP) 2036.

Based on the electricity demand forecast suggested by the PDP 2015 and the AEDP, Thailand's total electricity demand during the period of 2014 – 2036 is expected to grow at the average rate of 2.67% per year. Thailand's net energy consumption and load peak in 2036 are forecast at approximately 326,119 GWh and 49,655 MW, respectively.

The government's policy on the promotion of electricity generation from renewable energy for 2015 focuses on the recycle of municipal solid waste and agricultural waste. Therefore, the electricity generation from municipal solid waste, biomass and biogas is high on the agenda and the top priority. The current levels of unutilized capacity for electricity generation from waste and biomass are 500 MW and 2,500 MW, respectively. The zoning policy of the Ministry of Agriculture and Cooperatives to expand the cane and palm plantation and to increase the cassava production yield from 3.5 tons per rai per year to 7 tons will result in a higher level of feedstock supplies for additional electricity generation of 1,500 MW. More importantly, the productivity must be enhanced to minimize the burden on consumers. Consideration will be given to the regional and provincial RE zoning, the evolution of renewable energy technologies for enhanced competitiveness as compared to LNG-derived electricity, the community-enriching electricity generation, and a decrease of fossil fuel. In this regard, the proportion of alternative energy will be increased from the current level of 8% to 20% of Thailand's aggregate electricity demand in 2036. The total electricity output target from renewable energy in 2036 will be 19,634.4 MW as shown in the table below.

#### **Alternative Energy Development Plan (AEDP) 2036**

Year	Solar power	Wind power	Hydro-power	Waste	Biomass	Biogas	Energy Crop	Total
2557	1,298.5	224.5	3,048.4	65.7	2,541.8	311.5	-	7,490.4 <sup>1/</sup>
2579	6,000.0	3,002.0	3,282.4	500.0	5,570.0	600.0	680.0	19,634.4 <sup>1/</sup>

Remark: 1/ indicates installed capacity.

Recognizing the significance of the purchase volume of alternative energy, the PDP 2015 has incorporated the AEDP with a view to integrating the three components of the electricity system: electricity generation, electricity transmission and electricity distribution to retail users. Nonetheless, the mismatch in the electricity demand and supply in certain areas and at certain time has caused the excess electricity to be fed back into the grid and threatened the instability of the overall electricity system.

Source: Thailand's Power Development Plan for 2015 – 2036 (PDP 2015), Ministry of Energy.

### Competitive Strategy – Electricity :

In addition to production efficiency which the Company has consistently enhanced through the continuous improvement of the electricity generation process, feedstock is another key success factor for the electricity business. The Company's biomass power plants use bagasse derived from the sugar production process as the primary feed stock and cane leaves purchased from cane farmers using the fresh harvest method as the secondary feedstock to prevent shortage. The Company has also researched on a variety of energy crops to identify additional feedstock sources to increase its revenue from electricity business.

### Distribution Channel – Electricity Business :

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

## Bio Fertilizer Business

The Company has its own bio fertilizer manufacturing plant in Nakhonsawan which processes filter cake and vinasse into soil conditioners and powder, solid and fluid fertilizer products. Filter cake is derived from sugar production process while vinasse is from the biogas and ethanol production process. Kaset Thai Bio Fertilizer Company Limited (KTBF) was established as arm of the Company's integrated sugar business. KTBF's annual production capacity of powder, solid and fluid fertilizers is 15,000 tons, 6,150 tons, and 200,000 cubic meters, respectively.

### Market and Competition – Bio Fertilizer :

Thailand has been suffering with drought and scarce rainfall since 2014. The unfavorable weather conditions have caused the overall agricultural productivity to drop, particularly in upland areas where groundwater irrigation is not viable and natural water source was unavailable. The suppliers of production factors like fertilizers and chemical herbicides were not aggressive amid the weak economy which has continued from 2014 into 2015. The shortage of water supply which prompted the government to order restriction on the irrigation for farming (particularly rice farming in river basin regions) discouraged the utilization of production factors. As a result, fertilizer manufacturers of different sizes opted for a conservative stance, focusing on protecting their territory rather than aggressively expanding the market. Promotional activities were also muted.

The clarity of market conditions is essential for the ability to rightly strategize the inventory planning for mass production. In order to avoid future overlaps in marketing of products, insight into the key elements of the market must be ensured.

### Competitive Strategy - Bio Fertilizer :

1. It is the policy of KTIS group to encourage its contracted farmers to use KTBF's fertilizers.
2. The Company and farmers jointly analyze the soil conditions to identify which KTBF's fertilizers are suitable for their plantation.
3. As raw materials used in the fertilizer production are sourced among the group, the Company's fertilizer products are cheaper. Farmers can thus reduce their costs and increase productivity.
4. The Company treats the packaging as a priority and uses colored sacks with double seals for greater durability.
5. The Company offers delivery services for its fertilizer products.
6. Fertilizer usage demonstration and knowledge about proper use of the Company's products are shared with farmers.
7. The Company advertises its products and activities through advertising media and local radio stations, and runs a demonstration farm which is accessible by farmers.

### Distribution Channel - Bio Fertilizer :

1. Sale to contracted cane farmers of KTIS group.
2. Sale to general customers.
3. Sale to merchants, agricultural cooperatives under the Bank for Agriculture and Agricultural Co-operatives (BAAC)'s network and Agricultural Marketing Cooperative Limited (AMC)
4. Sale to neighboring countries such as Laos and Myanmar

# Risk Factors

Recognizing the value of effective risk management, the Company has strived to build solid risk management capabilities to provide all stakeholders with the assurance that the Company's business practices and operations are in compliance with the established corporate purposes, and that all key risks are effectively controlled within the defined risk tolerance thresholds in order to eradicate or minimize their impacts on the organization. The Board has delegated to the Risk Management Committee, which is comprised of the Company's independent directors and senior executives, the responsibility of setting the enterprise-wide risk management policies and frameworks, overseeing functional units in charge of managing the various risks associated with the Company, i.e. strategic risk, financial risk, operational risk, legal risk, compliance risks, regulatory risk, and reputation risk, monitoring and assessing risks associated with works under their scope of responsibilities based on the governing frameworks, and regularly reporting risks through the risk management and key risk indicator updates.

## 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 the speculation in commodity markets.

These factors, particularly the demand and supply fluctuations, are influenced by weather and climate conditions and the national policies for promotion and intervention of sugar imports and exports, especially for 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 the global market, to a certain extent, has impact on the Company's overall sales performance, particularly export sales. As the domestic sugar price is controlled by the Ministry of Commerce, the Company's domestic sales performance is not affected by the global price. The Company's export volume, which varies with the sugar cane supply and domestic consumption levels, generally accounts for at least 60% of the total sales; and thus the Company's total sales performance is at least 60% sensitive to the world sugar price.

In 2016, the sugar market tightened in anticipation that the global sugar supply would be lower than the consumption level. Nonetheless, the sugar inventories carried from the previous years were had decelerated the pace of sugar price increase in the global market.

Another factor which impacts the global sugar price is the re-emergence of investments or speculations of commodity index funds. It is likely that these funds will resume their investments in sugar commodities as a further tightening of sugar supply in the global market expected for next year. Overall, the investment inflows will have a positive impact on the world sugar price yet simultaneously, on a negative side, cause higher price fluctuation due to the rapid investment movements of these funds.

To mitigate the risks associated with the high volatility of sugar prices in the global market, the Company has established the Pricing Policy which limits the price gap at 10 percent of the Quota B sugar price as it is the benchmark of the sugar cane price which is the major determinant of the sugar production costs.

The Company also has a working team consisting of field experts and officers to monitor and manage the prices of exported sugar.

## 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 quality specifications. The duty-free access which the European Union has exclusively offered to sugar exporters in 50 least developed countries has also caused disadvantages to Thailand which is not entitled to such exclusive privilege.

At present, sugar export sales account 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 may adversely affect 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 countries, 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 imported 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 products may affect the Company's trade with importing countries. 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.

It is worthy to note that the policies of other member countries on the liberalization of their sugar markets are still ambiguous and their measures or practices which may affect their import of sugar from Thailand are not yet fixed. In an attempt to remove such barriers, the Company, in collaboration with other sugar producers in Thailand, urged the government through the Cane and Sugar Board to press for the liberalization of the sugar markets. The Company believes that the measures and policies will become clearer and the sugar export from Thailand to other ASEAN countries will significantly increase.

The Company has also given great attention to the Trans-Pacific Partnership (TPP), a trade agreement to which 3 key players in the sugar market are also parties, namely the United States of America and Japan, which are major sugar importers, and Australia, which is a major sugar exporter. Under this agreement, Australia is entitled to tax privileges and import quota and thus gains competitive advantages over Thailand. The Company is now conducting a 2-pronged analysis to identify the implications of the agreement and solutions as follows:

1. To call for Thailand's accession to the TPP agreement through the Thai Sugar and Bio Energy Producers Association, the 3 sugar associations, and the Sugar Cluster under the Federation of Thai Industries.

2. To collaborate with Sumitomo Corporation, the Company's major shareholder and strategic partner, in analyzing and determining approaches to handle and mitigate the impact in the way that will best benefit the Company.

### 3. Sugar Cane Supply Adequacy and Quality

In 2015, the drought crisis in Thailand was more severe than in the previous year. The level of precipitation in the lower northern region and the upper central region of Thailand was very low, especially during the middle of the year when the sugar canes heavily need water to grow. Despite KTIS's construction of many reservoirs in the regions, erratic and scarce rainfalls caused these reservoirs to remain unfilled and aggravated the drought. The drought was worsened by the limited rainfall coverage and irregular patterns of precipitation, and badly harmed the productivity of canes which are the key raw materials of KTIS group. With the cane shortage, the group will suffer a decline in its production activities and, as a consequence, its revenue may drop. In early 2015, the group had expanded the cane cultivation and promoted effective cane farming among its contracted cane farmers in order to boost the cane productivity to the level that matched the group's need. However, the crop yield per rai decreased due to the drought crisis and the group's supply security was thus threatened. The group and the contracted cane farmers' joint attempts on the crop rehabilitation were met with small success due to the limited rainfall coverage as mentioned earlier.

To mitigate the risk, KTIS group sourced more contractual farmers with a view to strengthening its supply security. The supply sourcing targets were set and deployed to regional staff being in charge of increasing the number of the Company's contracted cane farmers and executives were assigned to closely monitor the staff's performance in this respect. KTIS group initiated the re-use of the harvest trashes (cane leaves and scraps) in the 2014/2015 cane crushing season and the initiative, which has been propagated under the slogan of "More Than Harvest Trashes...Make It with KTIS", successfully led to higher income of the group's contracted farmers from the sale of harvest trashes to the group, as well as the group's revenue. KTIS group invested tens of millions of baht in the harvest trash collection system and established a dedicated function in charge of the harvest trash collection with an aim to increase the volume of collected harvest trashes of the 2015/2016 cane crushing season. KTIS group has established KPI targets which are significantly higher than the collection volume recorded in the 2014/2015 cane crushing season. As the harvest trashes are used as feedstock for the group's biomass power plants, the quantitative growth of collected harvest trashes will increase the income from electricity generation and the group's consolidated revenue. In addition, the harvest trash feedstock can substitute for bagasse feedstock and the group thus will have more bagasse supply for the pulp manufacturing by EPPCO. Harvest trashes are derived from green cane harvesting (not from burnt cane harvesting) and the method yields greater quality and higher quantity of fresh canes, hence better sugar productivity of the group.

Being aware of the threat to the quality of cane caused by the water shortage, KTIS group adopted a selective harvesting strategy, advised cane farmers about cane harvesting appropriate for the various breeds, types and ages of canes including other relevant factors instead of collective harvesting used earlier. The harvest advice is based on the registered plantation records on the Company's database, and the consultation with technical experts. In addition, the sugar contents of raw cane juice are measured. On-site tests are conducted to measure the quality of canes and harvest practices, and the cane samples are tested at the factory's lab for cane quality assurance. Staff of KTIS group has also monitored the cane harvests to ensure that the timing of harvesting on the selected plots are right. The labor forces, such as cane cutters and drivers of cane loaders, are given guidance. With all of its efforts mentioned above, the Company is confident that the quality of canes under the 2015/2016 cane crushing season will certainly ameliorate.

The Cane Harvester Development Plan (CHDP) has been high on the Company's agenda and continuously implemented under close guidance by expatriate experts. As a result of this initiative, the impurities, soil and sand are cleanly detashed from canes collected by cane harvesting machines from cane, and thus the quality of canes has significantly improved.

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

The Company continues to focus its business expansion on the electricity generation and sale to the Electricity Generating Authority of Thailand (EGAT) and the Provincial Electricity Authority (PEA). Feedstocks are indispensable for electricity-generating plants and the Company primarily uses bagasse which is derived from the cane crushing and sugar production process as feedstock for its power plants and also as a raw material for the pulp production. Given the aggressive expansion of the electricity generating business, the Company is exposed to potential shortage of bagasse for its power generation and pulp production businesses.

To mitigate the said risk, the Company began to stretch its productivity both vertically and horizontally to increase the cane output per rai and expand the plantation areas. Also, the Company has been seeking alternative feedstocks for power generation both in the short term and long term. In 2016, sugar cane leaves, shredded leaves, straws, corn stems, corncobs, and cassava roots, and biogas will be researched and used as alternative fuel sources. As medium-term and long-term solutions, the Company will continue to encourage the contracted cane farmers to increase the volume of cane leaves supplied to the Company as the trade will benefit the farmers themselves and the Company's sugar production and electricity generation businesses. Furthermore, the Company has researched on energy crop cultivation and launched a pilot project on energy crop plantation with a view to strengthening the security and sustainable growth of its power business.

As regards the pulp production business, the Company has extensively researched on substitutes for bagasse, and will trial the production of pulp from jutes. In addition, pulp and paper are developed into eco-friendly packages for added value. Machinery and work processes have been regularly improved to enhance the product yield and minimize loss from bagasse storage.

As bagasse is an important material for the pulp production and electricity generating businesses, the Company has embarked on the machinery efficiency enhancement and work process improvement since 2014 to reduce the energy consumption of the sugar plants. The program is expected to complete in 2017 and progressively increase the bagasse supply excess.

#### 5. Foreign exchange risk

The dramatic currency fluctuation has directly affected the group's business because more than 60% of its revenue is from exports of sugar products and the downstream businesses' eco-friendly products, and machinery import expenses are concentrated in USD.

KTIS group is aware of the exchange rate risk and has established the Financial Risk Management Committee which is responsible for the development and governance of financial risk management framework and the financial planning to prevent the foreign exchange risk through various financial instrument such as FX forward or option contracts, and natural hedge. The Company keeps abreast of economic movements and analyzes factors that may affect the exchange rates in order to dynamically manage its foreign currency risk amid the changes.

In Thailand's sugar and cane industry, the cane pricing is primarily based on the Thailand Cane and Sugar Corporation's contractual selling price of Quota B sugar and the forward exchange rates. Therefore, the Company uses the said exchange rates as a guideline for its foreign exchange risk management under the principle of conservatism for the purpose of risk hedging without speculation.



# Securities Details and Shareholding Structure

## Securities of the Company

As at December 31, 2015, the Company had registered capital Baht 3,888,000,010 and paid-up capital Baht 3,860,000,010. Ordinary shares 3,888,000,010 shares, par value Baht 1 per share.

## Shareholders

As at December 31, 2015, major shareholders of the company as following:

No.	Name	No. of Shares	% of Total Shares
1	Hathai Jaroon Ek Holding Co., Ltd <sup>(2)</sup>	1,360,800,000	35.253
2	3S HOLDING COMPANY LIMITED <sup>(1)</sup>	972,000,010	25.181
3	BANK OF SINGAPORE LIMITED	243,638,600	6.312
4	MR. SIRAPAK SIRIVIRIYAKUL	190,698,000	4.940
5	MAYBANK KIM ENG SECURITIES PTE.LTD.	128,000,000	3.316
6	MR.SIRAPAT SIRIVIRIYAKUL	120,892,900	3.132
7	MR. POOMRERK WANGPREEDALERTKUL	114,646,200	2.970
8	KING WAN CORPORATION LIMITED	87,267,000	2.261
9	MR. POOMRATA WANGPREEDALERTKUL	62,260,600	1.613
10	MR.ARNUT REUNGKUL	49,710,700	1.288
<b>Total</b>		<b>3,329,914,010</b>	<b>86.266</b>

\*Remark

(1) The registered capital and paid up capital of 3S Holding Co.,Ltd consists of 9,724,670 shares at par value of THB.100.00 per share or THB 972,467,000

At December 31,2015, major shareholders of the company as following (exclude Treasury Stock)

No.	Name	No. of Shares	% of Total Shares
1	Hathai Jaroen Ek Holding Co., Ltd <sup>(2)</sup>	6,807,261	69.8
2	Sumitomo Corporation	2,431,173	25.2
3	Nissin Sugar Co., Ltd	486,234	5

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

At December 31,2015, major shareholders of the company as following (exclude Treasury Stock)

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.

<b>Securities Name</b>	:	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
<b>Type</b>	:	In named certificates and non-transferable
<b>Term</b>	:	5 years from the date of the offering
<b>Number of Warrants</b>	:	Not exceeding 28,000,000 units
<b>Offering Price per Unit</b>	:	Baht 0 (zero baht)
<b>Number of allocated ordinary shares</b>	:	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)
<b>Exercise Ratio</b>	:	1 unit of warrant per 1 ordinary share (except for future adjustment on exercise rights, whereas the employees' rights will not be reduced)
<b>Exercise Price</b>	:	1 unit of warrant per 1 ordinary share (except for future adjustment on exercise rights, whereas the employees' rights will not be reduced)
<b>Secondary Market</b>	:	The Company will list the ordinary shares from the exercise as the listed securities on the Stock Exchange of Thailand
<b>Exercise Date</b>	:	December 1,2014
<b>Expiration Date</b>	:	November 30,2019

## 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.

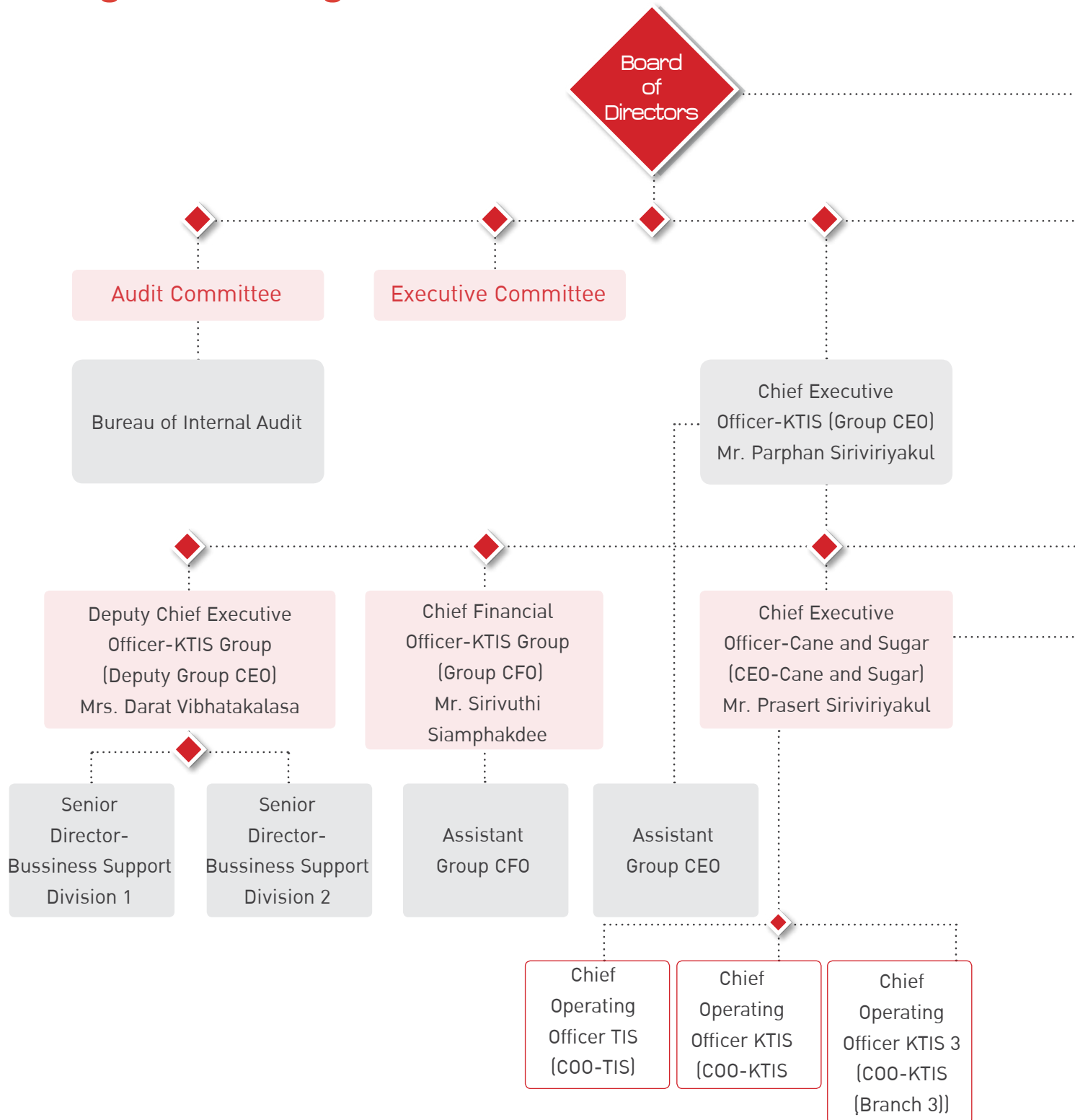
The Company's subsidiaries have the policy to pay dividend at a minimum of 50% of their net profit according to their financial statements, after the deduction of corporate income tax, statutory reserves and all other provisions. Considerations will also be given to their cash flow, financial status, 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.

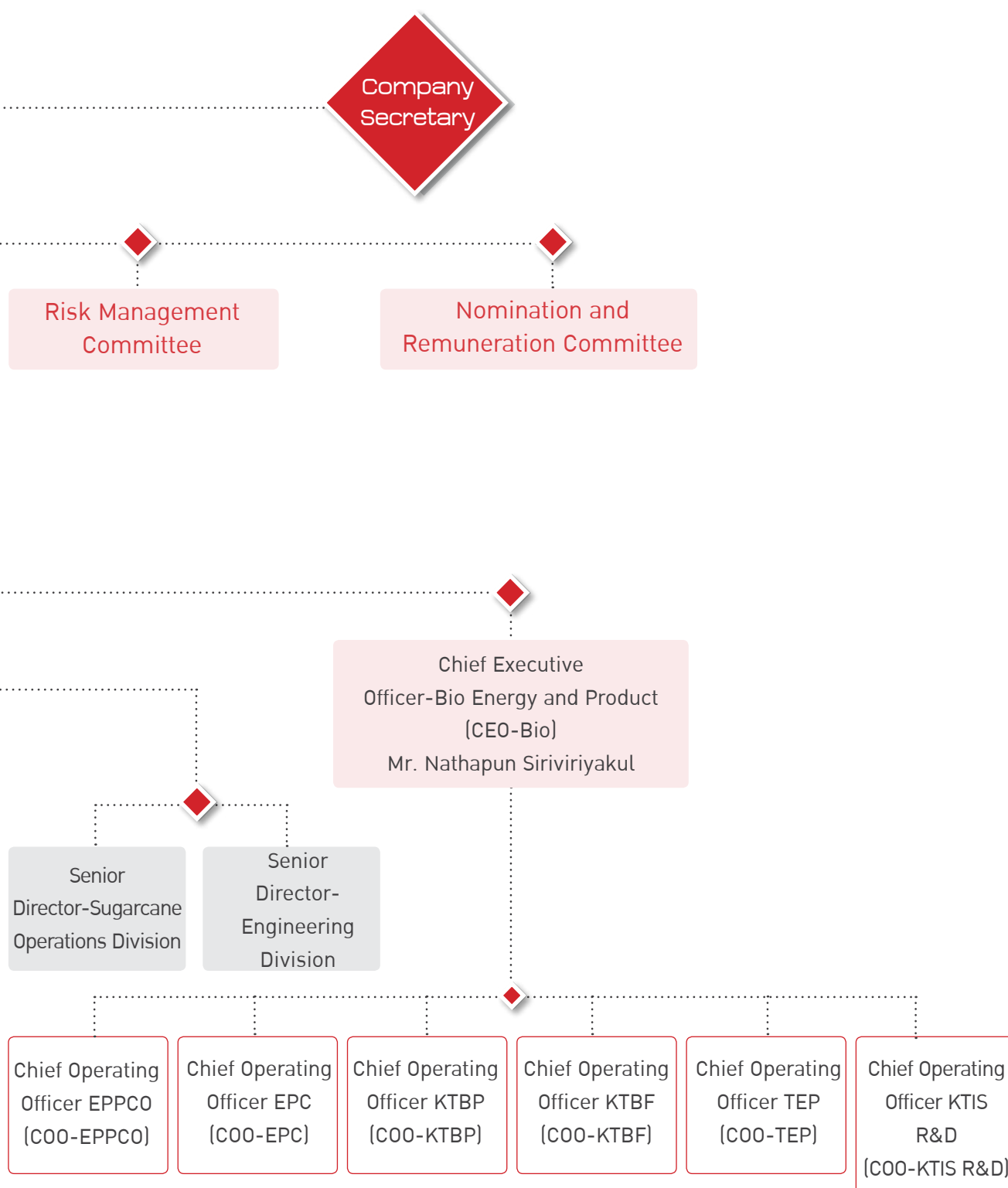
Details of dividends	2013	2014	2015 (Proposed)
Net Profit (Baht)	774,609,481	1,129,090,738	650,528,104
Number of shares			
Number of shares at interim dividend	-	3,860,000,000	-
Number of shares at the annual dividend	-	3,860,000,000	3,860,000,010
Total dividend per share (Baht : Share)			
Interim dividend (Baht : Share)	-	0.30	-
annual dividend (Baht : Share)	-	0.18	0.10
Total dividends paid (Baht)*	-	1,852,800,000	386,000,001
Dividend Payout Ratio	-	164.10%	59.34%

\*Remark 1. In 2014 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. And 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, 2015, the structure of the board of directors consist of 15 members and 5 independent directors as follow:

Name	Position	Directors who are Authorized Signatories	Date to Appointment
1. Mr. Pricha Attavipach	Chairman	Group 2	January 29,2013
2. Mr.Sirivuthi Siamphakdee	Vice-Chairman	Group 2	January 29,2013
3. Mr.Parphan Siriviriyakul	Director	Group 1	January 29,2013
4. Mr.Nathapun Siriviriyakul	Director	Group 1	January 29,2013
5. Mrs.Darat Vibhatakalasa	Director	Group 1	January 29,2013
6. Mr.Prasert Siriviriyakul	Director	Group 1	January 29,2013
7. Mr.Sirapak Siriviriyakul	Director	Group 1	May 14 ,2015
8. Mr.Apichart Noochprayoon	Director	Group 2	January 29,2013
9. Mr.Shunsuke Tsujiyama	Director	-	May 12,2014
10. Ms. Chua Eng Eng	Director	Group 2	January 29,2013
11. Mr. Krairit Nilkuha	Independent Director/ Chairman of Audit Committee	-	February 26,2014
12. Mr.Sathaporn Kotheeranurak	Independent Director/ Member of Audit Committee	-	January 29,2013
13. Acting Sub Lt. T-rayooth Changpetch	Independent Director/ Member of Audit Committee	-	January 29,2013
14. Mr. Issakan Krivithaya	Independent Director	-	January 29,2013
15. Mr.Phoonsak Boonsalee	Independent Director	-	January 29,2013

Mr. Suchart Pipattanachaiyapong is the company secretary.

## Independent Directors of KTIS

The present Independent Directors is equivalent to one-third of total board members. The qualification of independent director as specified by the Company is in compliance with the regulation of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as committed to good governance as follows:

1. holding shares not exceeding 1 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
2. neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years prior to the date of appointment;
3. not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
4. not having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non independent director or executive of any person having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years prior to the date of appointment.

The term 'business relationship' in the aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences; neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years from the date of appointment;



5. neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and
6. neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date of appointment;
7. not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;
8. not operating any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1 percent of the total number of voting rights of any other company operating a business which has the same nature as and is in significant competition with the business of the Company or subsidiary;
9. not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (1) to (9) of paragraph one, the independent director may be assigned by the board of directors to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

### Directors who are Authorized Signatories

Group 1	Group 2
1. Mr.Parphan Siriviriyakul	1. Ms. Chua Eng Eng
2. Mrs.Darat Vibhatakalasa	2. Mr. Sirivuthi Siamphakdee
3. Mr. Prasert Siriviriyakul	3. Mr. Apichart Noochprayoon
4. Mr. Nathapun Siriviriyakul	4. Mr. Pricha Attavipach
5. Mr. Sirapak Siriviriyakul	

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.

## 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.

## Scope of power and duties and responsibility of our Board

1. 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;
2. 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;
3. 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;
4. The Board shall continuously monitor our performance and operations and ensure that they are in line with our action plan and budget;
5. The Board shall ensure that we adopt appropriate and efficient accounting systems, and have implemented internal control and audit systems;
6. 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;
7. 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;
8. The Board shall implement a written corporate governance policy to ensure that the interests of each group of stakeholders is equally protected;
9. 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;
10. The Board shall be responsible for the appointment of our sub-committee members, and shall prescribe the power and responsibilities of such sub-committees;

11. The Board shall ensure that our authorized signatories are changed from time to time
12. 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;
13. If necessary, the Board shall seek professional advice from third-party organizations to facilitate its decision-making; and
14. 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.

### Number of Meeting Attended

The table below shows the attendance of Directors at Board meetings in 2015.

Name	2015
1. Mr. Pricha Attavipach	7/7
2. Mr. Sirivuthi Siamphakdee	6/7
3. Mr. Parphan Siriviriyakul	7/7
4. Mr. Nathapun Siriviriyakul	7/7
5. Mrs. Darat Vibhatakalasa	5/7
6. Mr. Sathaporn Kotheeranurak	7/7
7. Mr. Prasert Siriviriyakul	7/7
8. Mr. Krairit Nilkuha	7/7
9 Acting Sub Lt. T-rayooth Changpetch	7/7
10. Mr. Issakan Krivitthaya	7/7
11. Mr. Phoonsak Boonsalee	7/7
12. Mr. Apichart Noochprayoon	6/7
13. Mr. Shunsuke Tsujiyama	7/7
14. Ms. Chua Eng Eng	5/7
15. Mr. Sirapak Siriviriyakul	4/4 ( Appoint on May 14,2015)

## Category of Directors

The table below shows the category of Directors in 2015.

Name	Non-Executive Director	Independent Director	Executive Director
1. Mr. Pricha Attavipach			X
2. Mr. Sirivuthi Siamphakdee			X
3. Mr. Parphan Siriviriyakul			X
4. Mr. Nathapun Siriviriyakul			X
5. Mrs. Darat Vibhatakalasa			X
6. Mr. Sathaporn Kotheeranurak	X	X	
7. Mr. Prasert Siriviriyakul			X
8. Mr. Krairit Nilkuha	X	X	
9 Acting Sub Lt. T-rayooth Changpetch	X	X	
10. Mr. Issakan Krivitthaya	X	X	
11. Mr. Phoonsak Boonsalee	X	X	
12. Mr. Apichart Noochprayoon			X
13. Mr. Shunsuke Tsujiyama			X
14. Ms. Chua Eng Eng			X
15. Mr. Sirapak Siriviriyakul			X

## Evaluation of Board of Directors

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Board and individual director at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Performance of Individual Directors	Board Performance
1. Board structure and qualifications of directors	4.37	4.55
2. Board meeting	4.55	4.56
3. Roles, duties and responsibilities of Board	4.44	4.64
4. Performance of duties of directors	-	4.63
5. Relationship with the management	-	4.63
6. Self-development of directors and executive development	-	4.52
<b>Average</b>	<b>4.45</b>	<b>4.59</b>

Remark: 1.Total score = 5

2. Performance evaluation of Individual Directors have only 3 category.

### Onboarding Program for New Directors

The Company has arranged an onboarding program for new directors which covers the Company's business overview and the following topics:

- (1) Relevant regulatory framework (legal requirements, the Cabinet's resolution, rules and regulations)
- (2) Operations and activities
- (3) Major projects
- (4) Organizational development and business development
- (5) Corporate governance
- (6) Corporate social responsibility

As part of the onboarding program, new directors visit the Company's plants and operating sites, and are provided with information about the Company's Board of Directors and executives in support of their duty of governance in the following dimensions:

- (1) Vision, mission, values and purposes of the Company
- (2) Organizational development and business development
- (3) Profiles of directors and executives
- (4) Qualifications and remunerations of directors
- (5) Roles, duties and responsibilities of directors
- (6) Management structure
- (7) Company's profile
- (8) Corporate governance policy

## Training Programs for Board of Directors

The Company has encouraged its directors to attend training courses and programs which are related to corporate governance principles, regulatory compliance, and governance roles and responsibilities of directors.

The training courses and programs attended by the Company's directors are as shown below:

Name	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Director Committee Program (ACP)	Finance for Non-Finance Director (FND)	Monitoring Fraud Risk Management (MFM)
Mr. Pricha Attavipach	DCP 39/2004		ACP 11/2006	FND 8/2004	
Mr. Sirivuthi Siamphakdee		DAP 54/2006			
Mr. Parphan Siriviriyakul		DAP 96/2012			
Mr. Nathapun Siriviriyakul		DAP 96/2012			
Mrs. Darat Vibhatakalasa		DAP 96/2012			
Mr. Prasert Siriviriyakul		DAP 96/2012			
Mr. Apichart Noochprayoon		DAP 96/2012			
Ms. Chua Eng Eng		DAP 96/2012			
Mr. Sathaporn Kotheeranurak		DAP 35/2009	ACP 13/2013		
Acting Sub Lt. T-rayooth Changpetch		DAP 97/2012	ACP 41/2012		MFM 8/2012
Mr. Issakan Krivitthaya		DAP 97/2012	ACP 41/2012		MFM 8/2012
Mr. Phoonsak Boonsalee		DAP 97/2012			
Mr. Krairit Nilkuha			ACP 13/2006 ACP 24/2008		
Mr. Shunsuke Tsujiyama		DAP 108/2014			

## Our Committees

### (1) Our Audit Committee

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

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

## 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.

## Scope of power and duties and responsibility of the Audit Committee

1. The Audit Committee shall ensure that our financial statements are complete and accurate;
2. 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;
3. The Audit Committee shall ensure that we comply with securities and exchange laws, regulations of the SET and laws relating to our business operations;
4. 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;
5. 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;
6. 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:
  - an opinion on the accuracy, completeness and reliability of our financial statements;
  - an opinion on the sufficiency of our audit control system;
  - an opinion on compliance with securities and exchange laws, regulations of the SET and the laws relating to our business;
  - an opinion on the suitability of the auditor;
  - an opinion on transactions which may result in conflicts of interest;
  - number of meetings held by the Audit Committee and the attendance record of each member of the Audit Committee;
  - comments or overall remarks obtained by the Audit Committee in relation to its performance under the Audit Committee Charter; and
  - other matters of which our shareholders and general investors should be informed;



7. 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:

- a transaction resulting in a conflict of interest;
- fraud or any major irregularity or defect in our internal control system; or
- 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 The Audit Committee shall perform any other activities as designated by the Board with the Audit Committee's approval.

### Number of Meeting Attended

The table below shows the attendance of the Audit Committee in 2015.

Name	2015
1. Mr. Krairit Nilkuha	5/5
2. Mr. Sathaporn Kotheeranurak	5/5
3. Acting Sub Lt. T-rayooth Changpetch	5/5

### Evaluation of Audit Committee

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Audit Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Performance of Audit Committee
1. Board structure and qualifications of directors	4.67
2. Board meeting	5.00
3. Roles, duties and responsibilities of Board	4.67
<b>Average</b>	<b>4.78</b>

Remark: Total score = 5

## (2) Our Nomination and Remuneration Committee

As at December 31, 2015, our Nomination and Remuneration Committee consists of the following members:

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

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

### 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.

### Scope of power and duties of the Nomination and Remuneration Committee

1. 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;
2. 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;
3. 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;
4. 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;
5. The Nomination and Remuneration Committee shall conduct performance evaluations and prepare an evaluation report for the Board; and
6. The Nomination and Remuneration Committee shall perform any other activities as designated by the Board.

## Number of Meeting Attended

The table below shows the attendance of the Nomination and Remuneration Committee in 2015.

Name	2015
1. Mr. Issakan Krivitthaya	2/2
2. Mrs. Darat Vibhatakalasa	2/2
3. Mr. Phoonsak Boonsalee	2/2

## Evaluation of Nomination and Remuneration Committee

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Nomination and Remuneration Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Nomination and Remuneration Committee
1. Board structure and qualifications of directors	5.00
2. Board meeting	4.94
3. Roles, duties and responsibilities of Board	5.00
<b>Average</b>	<b>4.98</b>

Remark: Total score = 5

## (3) Our Risk Management Committee

As at December 31, 2015, our Risk Management Committee consists of the following members:

Name	Position
1. Acting Sub Lt. 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 Krivitthaya	Member

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

## 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.

## Scope of power and duties of the Risk Management Committee

1. 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;
2. The Risk Management Committee shall determine business strategies in accordance with our risk management policies;
3. The Risk Management Committee shall approve risk management indicators;
4. The Risk Management Committee shall monitor management's compliance with our risk management policies and control the efficiency of risk management;
5. The Risk Management Committee shall monitor the sufficiency of resources such as staff and systems for risk management;
6. 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;
7. The Risk Management Committee shall monitor and report our risk status to the Board and the Audit Committee ;
8. The Risk Management Committee shall integrate corporate governance, risk management and legal compliance in order to achieve integrity-driven operations;
9. The Risk Management Committee shall set up a working team as may be appropriate; and
10. The Risk Management Committee shall perform any other activities as designated by the Board.

## Number of Meeting Attended

The table below shows the attendance of the Risk Management Committee in 2015.

Name	2015
1. Acting Sub Lt. T-rayooth Changpetch	4/4
2. Mr. Parphan Siriviriyakul	4/4
3. Mr. Sirivuthi Siamphakdee	4/4
4. Mr. Prasert Siriviriyakul	2/4
5. Mr. Nathapun Siriviriyakul	3/4
6. Mr. Issakan Krivitthaya	4/4

### Evaluation of Risk Management Committee

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Risk Management Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Risk Management Committee
1. Board structure and qualifications of directors	4.17
2. Board meeting	4.39
3. Roles, duties and responsibilities of Board	4.50
<b>Average</b>	<b>4.35</b>

Remark: Total score = 5

### (4) Our Executive Committee

As at December 31, 2015, 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.

## 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.

## Scope of power and duties of the Executive Committee

1. 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;
2. 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;
3. 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;
4. The Executive Committee shall efficiently oversee and monitor our operations in accordance with our management policies and guidelines as approved by the Board;
5. 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);
6. The Executive Committee shall have the power and authority to approve borrowing or lending transaction, including credit transactions with banks and companies in KTIS group, or obligations as a guarantor of affiliates, or payments and expenses required for the Company's operations in normal course of business.
7. The Executive Committee shall have the power and authority to appoint the Company's employees at the level below Group CEO

8. The Executive Committee shall make the following reports on our results of operations:
  - a quarterly report of our performance shall be submitted within the timeframe prescribed by the SET;
  - 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
  - other reports deemed appropriate by the Executive Committee;
9. 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.

### Number of Meeting Attended

The table below shows the attendance of the Executive Committee in 2015.

Name	2015
1. Mr. Sirivuthi Siamphakdee	12/12
2. Mr. Parphan Siriviriyakul	12/12
3. Mrs. Darat Vibhatakalasa	10/12
4. Mr. Prasert Siriviriyakul	12/12
5. Mr. Nathapun Siriviriyakul	10/12

### Evaluation of Executive Committee

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Executive Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:



Evaluation Category	Executive Committee
1. Board structure and qualifications of directors	4.17
2. Board meeting	4.13
3. Roles, duties and responsibilities of Board	4.34
<b>Average</b>	<b>4.22</b>

Remark: Total score = 5

## Our Executives

As at December 31, 2015, 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:

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 Executive Officer – Cane and Sugar
5. Mr. Nathapun Siriviriyakul	Chief Executive Officer – Bio Energy and Product
6. Mrs. Nomchit Akaramekin	Director - Accounting Department

Remark 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.

### Scope of power and duties of the Chief Executive Officer – KTIS Group

1. 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;
2. The Chief Executive Officer – KTIS Group shall implement and comply with the business strategies and directions approved by the Board;
3. The Chief Executive Officer – KTIS Group shall perform any activity designated by the Board and shall comply with policies prescribed by the Board;
4. The Chief Executive Officer – KTIS Group shall introduce regulations, notifications and memorandums in accordance with our policies;

5. 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;
6. 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;
7. 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;
8. The Chief Executive Officer – KTIS Group shall monitor all expenses relating to the our ordinary business operations and ensure that they are in accordance with the Board's approved budget;
9. The Chief Executive Officer – KTIS Group shall approve all investments in instruments and securities as approved by the Board;
10. 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;
11. The Chief Executive Officer – KTIS Group shall approve investment funds as prescribed in our annual budget or as approved by the Board;
12. 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;
13. The Chief Executive Officer – KTIS Group shall take measures to enhance our employees' performance in order to improve our business performance;
14. The Chief Executive Officer – KTIS Group shall appoint relevant advisors necessary for our business operations;
15. 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;
16. 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
17. The Chief Executive Officer – KTIS Group shall perform other activities as designated by the Board;

The Chief Executive Officer – KTIS Group shall not approve the following transactions:

- a related party transaction that is not in the ordinary course of our business;
- an acquisition or disposal of our material assets; and 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.

## Evaluation of Chief Executive Officer– KTIS Group

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Chief Executive Officer– KTIS Group at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	CEO Group
1. Leadership	4.17
2. Strategy formulation	4.62
3. Strategy execution	4.60
4. Financial planning and performance	4.75
5. Relationship with Board of Directors	4.63
6. Relationship with external parties	4.66
7. Administration and employee relations	4.65
8. Product and service knowledge	4.75
Average	4.67

Remark: Total score = 5

## 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.

Mr. Suchart Pipattanachaipong

Age 53 years

### Education

- MBA, Ramkhamhaeng University
- Bachelor of Business Administration, Assumption University

### Seminar on Role and Responsibility

- CSP 53/2013
- BRP 12/2013
- EMT 30/2014
- CRP 8/2014

Experiences during the past 5 years	• 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.
	• 1994-1996	Factory Manager Ruampol Enterprise Co., Ltd
	• 1989-1994	Deputy to Factory Manager Kaset Thai Sugar Industry Co., Ltd.

#### Scope of power and duties of the Company Secretary :

- (1) The Company Secretary shall prepare and maintain the following documents
- register of Directors;
  - notices of Board meetings, minutes of Board meetings and annual reports; and
  - notices of shareholders' meetings and minutes of shareholders' meetings;
- (2) The Company Secretary shall maintain reports on conflicts of interest; and
- (3) 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:
  - have participated in management;
  - have been an employee, staff or advisor receiving a regular salary from us; and
  - have been a controlling person of KTIS, our parent company, subsidiaries, associates, subsidiary company in the same level, major shareholders or controlling persons;

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:
  - have or used to have a business relationship with KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, in a manner which may interfere with his independent judgment;
  - 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;
6. must not:
  - 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;
  - 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 significant partner in a partnership;
  - a Director participating in management;
  - an employee; or
  - 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

#### 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 AGM Meeting held on April 23, 2015 to be as follows:

**1) Director s' Remuneration**

Chairman of the Board of Directors	Baht	50,000	per month
Director	Baht	25,000	per month
Board of Directors' Attendance fee			
Chairman of the Board of Directors	Baht	50,000	per meeting
Director	Baht	25,000	per meeting

**2) Audit Committee Member's Attendance Fee**

Chairman of the Audit Committee	Baht	60,000	per meeting
Audit Committee Member	Baht	30,000	per meeting

**3) Risk Management Committee Member's Attendance Fee**

Chairman of the Risk Management Committee	Baht	40,000	per meeting
Risk Management Committee Member	Baht	20,000	per meeting

**4) Nomination and Remuneration Committee Member's Attendance Fee**

Chairman of the Nomination and Remuneration Committee	Baht	40,000	per meeting
Nomination and Remuneration Committee Member	Baht	20,000	per meeting

Remark There are not any other benefit.



Name	2015	2013		2014		2015					
		Remu- neration	Meeting Allowance	Remu- neration	Meeting Allowance	Remu- neration	Meeting Allowance	Remu- neration	Nomina- tion and Remu- neration Committee	Risk manage- ment	Total (baht)
1.Mr.Pricha Attavipach	Chairman	1,200,000.00	-	500,000.00	400,000.00	600,000.00	350,000.00	-	-	-	950,000.00
2.Mr.Sirivuthi Siamphakdee	Vice-Chairman	640,000.00	-	250,000.00	300,000.00	300,000.00	150,000.00	-	-	80,000.00	530,000.00
3.Mr.Parphan Siriviriyakul	Director	660,000.00	-	250,000.00	300,000.00	300,000.00	175,000.00	-	-	80,000.00	555,000.00
4.Mr.Nathapun Siriviriyakul	Director	660,000.00	-	250,000.00	300,000.00	300,000.00	175,000.00	-	-	60,000.00	535,000.00
5.Mrs.Darat Vibhatakalasa	Director	640,000.00	-	250,000.00	235,000.00	300,000.00	125,000.00	-	40,000.00	-	465,000.00
6.Mr.Prasert Siriviriyakul	Director	620,000.00	-	250,000.00	280,000.00	300,000.00	175,000.00	-	-	40,000.00	515,000.00
7.Mr.Sirapak Siriviriyakul	Director	-	-	-	-	175,000.00	75,000.00	-	-	-	250,000.00
8.Mr.Apichart Noochprayoon	Director	600,000.00	-	250,000.00	200,000.00	300,000.00	150,000.00	-	-	-	450,000.00
9.Mr.Shunsuke Tsujiyama	Director	-	-	175,000.00	100,000.00	300,000.00	175,000.00	-	-	-	475,000.00
10.Ms.Chua Eng Eng	Director	600,000.00	-	250,000.00	175,000.00	300,000.00	125,000.00	-	-	-	425,000.00
11.Mr.Sathaporn Kotheeranurak	Independent Director	840,000.00	-	250,000.00	410,000.00	300,000.00	175,000.00	180,000.00	-	-	655,000.00
12.Acting Sub Lt. T-rayooth Changpetch	Independent Director	990,000.00	-	250,000.00	610,000.00	300,000.00	175,000.00	180,000.00	-	160,000.00	815,000.00
13.Mr.Issakan Krivithaya	Independent Director	660,000.00	-	250,000.00	380,000.00	300,000.00	175,000.00	-	80,000.00	80,000.00	635,000.00
14.Mr.Phoonsak Boonsalee	Independent Director	640,000.00	-	250,000.00	260,000.00	300,000.00	175,000.00	-	40,000.00	-	515,000.00
15Mr.Krairit Nilkuha	Independent Director	-	-	250,000.00	460,000.00	300,000.00	175,000.00	360,000.00	-	-	835,000.00
Name of Director resigned from the Board between 2558											
1.Ms.Siraarpa Siriviriyakul	Director	600,000.00	-	250,000.00	200,000.00	125,000.00	100,000.00	-	-	-	225,000.00
Total		9,350,000.00	-	3,925,000.00	4,610,000.00	4,800,000.00	2,650,000.00	720,000.00	160,000.00	500,000.00	9,055,000.00

\*Remark

1. In 2014, Number of directors adjusted from 21 to 15, Mr. Montree Lekvichittada ,Mrs. Voraya Siriviriyakul ,Mr. Supoj Wangpreedaertkul , 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.
4. Ms.Siraarpa Siriviriyakul resigned from the Board as at May 14, 2015 Mr.Sirapak Siriviriyakul was appointed in place of Ms.Siraarpa Siriviriyakul

## Remuneration of the Executives

The table below represents the remuneration details of our Executives in 2013 , 2014 and 2015.

Type of Remuneration	Number of Executives	2013	2014	2015
1. Salary <sup>1</sup>	6	20,996,715.00	23,367,203.00	24,874,815.00
2. Bonus	6	2,574,906.00	9,574,974.00	2,218,334.00
<b>Total</b>	<b>6</b>	<b>23,571,621.00</b>	<b>32,942,177.00</b>	<b>27,093,149.00</b>

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

## Other Remuneration

-None-

## Personnel and Remuneration

Company	2015				
	Operate No. of Employee	Management No. of Employee	Head Office No. of Employee	Total	Total 2015 Personnel Expenses
Kaset Thai International Sugar Corporation Pcl.	1,606	63	151	1,820	560,471,444.83
Ekarat Pattana Co., Ltd.	130	6	18	154	44,790,912.40
Environment Pulp and Paper Co., Ltd.	448	12	17	477	142,743,962.76
Kaset Thai Bio Fertilizer Co., Ltd.	5	7	1	13	1,545,874.96

Company	2015				
	Operate No. of Employee	Manage- ment No. of Employee	Head Office No. of Employee	Total	Total 2015 Personnel Expenses
Kaset Thai Bio Power Co., Ltd.	64	2	4	70	10,471,323.38
Permsin pattana Co., Ltd.	-	-	-	-	-
Ruampol Bio Power Co., Ltd.	22	-	1	23	3,516,753.71
Sapsirikaset Co., Ltd.	-	-	-	-	-
Thaiekaluck Power Co., Ltd.	-	-	1	1	252,493.60
Thai Identity Sugar Factory Co., Ltd.	801	23	38	862	242,530,532.10
KTIS Bio Energy Co., Ltd.	-	2	-	2	442,175.20
KTIS R&D Co., Ltd.	-	2	4	6	334,879.62
Lopburi International Sugar Co., Ltd.	-	-	-	-	-
Lopburi Biopower Co., Ltd.	-	-	-	-	-
Lopburi Bioethanol Co., Ltd.	-	-	-	-	-
KTIS Biogas Power Co., Ltd.	-	-	-	-	-
Kaset Thai Wiwat Co., Ltd.	-	-	-	-	-
<b>Total</b>	<b>3,076</b>	<b>117</b>	<b>235</b>	<b>3,428</b>	<b>1,007,100,352.56</b>

Remark Only permanent employees of KTIS group.

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 2015 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.

Training	2015			
	Level - Number of Participants (Person)			Total (Person)
	Officer	Head-Engineer	Manager or Equivalent	
Human Potential Development for Increasing Effective Work by Community of Practice & Good Governance	-	100	10	110
Safety Performance	534	55	-	589
Human Potential Development for Increasing Effective Work by Community of Practice	100	-	-	100
Risk Management of KTIS Group, Class 1	5	34	10	49
Risk Management of KTIS Group, Class 2-3	4	28	16	48
Team work skills ,Class 1	-	75	25	100
Team work skills ,Class 2-5	301	75	24	400
Development and Organizational Behavior,Class 1-4	261	117	-	378
Risk Management of KTIS Group for year 2015, Class 1-3	2	97	10	109
Innovation Technology Edge of Molub-Alloy Tribol	-	10	-	10
7 WASTES, Class 1-2	51	4	-	55
Ethics and Loyalty of the organization's staff.	55	-	-	55
Time Management Class 1	26	2	-	28
Risk Management of KTIS Group for year 2015	1	26	4	31
4G Supervisory Skill Development	5	81	6	92
Lubricants Training	52	18	-	70
OHSAS 18001 : 2007	2	19	1	22
Creative And innovation	59	15	-	74
Time Management	7	7	-	14

# 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 which it will communicate to the directors, executives, and all levels of employees in the Company to sign and implement, the details of which are set out below.

## Section 1 : Rights of the Shareholders

### 1.1 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:

- 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.
- 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.
- 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.

- The Company has a duty to facilitate the shareholders in exercising their rights, such as by providing updated material information via the Company website including to support and facilitate the shareholders to attend the general meetings of shareholders by selecting meeting venues of appropriate size to serve the shareholders and where the location is not an obstacle to attending the meetings, and is safe. The Company provides opportunities for the shareholders to submit registration documents for attending the meeting in advance of the meeting date in order to minimize the time for document verification on the meeting date. The Company provides registration channels at the meeting venue and also arranges for a barcode system for registration and vote counting to expedite the registration and vote computation process. To facilitate the shareholders, the Company provides stamp duty for the appointment of proxies.

## 1.2 Disclosure of Information regarding the Shareholders' Meeting

- 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 and to provide various channels for shareholders to enquire about the details of the shareholders' meetings.
- 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.

## 1.3 Conducting meetings

- 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 in order to allow the shareholders to participate in making decisions regarding the matters which affect the rights and benefits available to them.
- 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, at which the procedure and the system will be transparent, convenient, fast, and efficient. The resolution result will be shown in a short period of time and the shareholders will know

the result immediately. The 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.

- 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.
- 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.

## Section 2 : Equitable Treatment of Shareholders

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

### 2.1 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.

### 2.2 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.

### 2.3 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 instructions to complete the form and the background and personal information of each Independent Director for consideration will be provided. The Company will attach the aforementioned Proxy Form to the invitation to the meeting. Moreover, shareholders can download the proxy form from the website [www.ktisgroup.com](http://www.ktisgroup.com). Any proxy who



submits a completed proxy form to the committee at the Shareholders' Meeting shall be allowed to attend the meeting and vote on behalf of the named shareholder.

## 2.4 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.

## 2.5 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.

## 2.6 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.

## 2.7 Treatment of Foreign shareholders

Every shareholder has the right to receive the information and documents, either in Thai or in English. Any document provided for foreigners shall be translated into English.

# Section 3 : The Role of Interested parties

## 3.1 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 10 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
10. Competitors

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

- The Company will compensate the employees properly and in line with the standard industry salary rate, including the welfare package pursuant to the relevant laws and provident fund based on the consideration of their work in a fair manner and in a way that is quantifiable under the regulations of the Company.
- The Company aims to continuously promote and develop the skills, knowledge and abilities of its personnel, such as by means of organizing training sessions and seminars for its executives and employees in order to build their potential and the readiness of the organization to be a better quality Company.
- The Company treats all of its employees fairly and equally, for example, with respect to employee evaluations, confidentiality regarding employment history, welfare, fundamental rights and the exercise of the various rights of the employees in addition to the rights stipulated by law. Such rights will be informed to employees on a regular basis.
- 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.
- The Company has a duty to ensure that the employment environment is safe, healthy, and effectively facilitates work. The Company has a policy on the matters relating to occupational health, safety, security and environment by specifying and promoting good health and the provision of a safe working environment, as well as security and relevant measures to prevent accidents and illness occurring at work for every employee.
- The Company encourages policies to protect the environment, which will be implemented to promote responsibility towards the environment, and develop and use more environmental friendly technologies. In addition, the Board of Directors of the Company encourages employee education and training with regard to environmental matters. The program covers the Company's policy on environmental protection, energy consumption and emissions of air pollution, waste handling and recycling, as well as the working environment.

### 2. Farmers

- 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.
- 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.

- 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. The Company encourages the protection of the environment by supporting the use of more environmentally-friendly technologies, and building awareness of the impact on the environment and encouraging the efficient handling of waste such as utilizing the agricultural waste to the fullest extent possible.

### 3. Customers and Creditors

#### Customer Relations Policy

- 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.
  - 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.
  - 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.

#### Creditor Relations Policy

- 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 by providing information that are accurate, transparent, and accountable to creditors.
- The Company has a duty to be responsible for, pay attention, and give importance to the various promises and conditions as agreed upon with its creditors to the best of its abilities in repaying debts, loans, and interest and in pledging various collateral. In the case that the Company cannot perform the obligations under the agreements, The Company will inform creditors in advance to mutually find solutions to the problems.

### 4. Shareholders or Investors

See Section 1. Rights of the Shareholders

### 5. Communities local to each Company place of business

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

- 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.
- 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

- The Company has a duty to act in compliance with all applicable and prescribed laws and rules.
- The Company will promote the various activities of governmental organizations as is deemed appropriate.

#### 7. Suppliers and Contractors

- The Company has a duty to maintain good relations with all suppliers and contractors.
- 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 in the following areas:
    - quality and services
    - pricing
    - delivery time
    - reliability
    - Company reputation and referred successful cases
    - records of business dealings of the Company
    - condition of transactions
    - other aspects as appropriate

#### 8. Academics

- 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.
- 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

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

## 10. Competitors

- The Company will not perform any act which would violate or contradict any competition law or may cause damage to the reputation of its competitors.

## 3.2 Measures for compensating interested parties in the event of damage arising from wrongful acts

- 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 statements, which will have an impact on the price of securities to be offered to the public, up to and including one month prior to the public disclosure, as failure to do so would be deemed a violation of the Securities and Exchange Act.
- 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.

### 3.3 Participation channels of interested parties

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

- 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](mailto:internalaudit@ktisgroup.com)
- 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 Company Secretary Department, Tel. 02-692-0869-73 Ext. 175 E-mail: [cs@ktisgroup.com](mailto:cs@ktisgroup.com)
- The Company has taken steps to ensure that its representatives visit the community in the areas neighboring the factories every year.

### 3.4 Mechanisms for protecting Whistle-Blowers

- 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 according to the channel in No. 3.3
- The Company has established measures for protecting employees who are Whistle-blowers, whereby:
  1. The Whistle-Blowers can choose not to reveal themselves if they believe that the revelation would lead to lack of security or damage.
  2. The Company will keep the information secret and safeguard the security of the Whistle-Blowers by setting up systems to protect the Whistle-Blowers who are employees, including those cooperating in investigation of the facts of such complaint such as work disturbance, transfer, dismissal of employment, and intimidation etc.

- 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.

## Section 4 : 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.

### 4.1 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.

### 4.2 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, Tel 02-692-0869-73 Ext. 193 Ext, 26, Email : [ir@ktisgroup.com](mailto:ir@ktisgroup.com)

### 4.3 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.



#### 4.4 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.

#### 4.5 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.

#### 4.6 Disclosure of possession of the Company's shares

The Company requires that Directors report their purchase-sale of / possession of shares in the Company to the Board of Directors.

### Section 5 : 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:

#### 5.1 Structure of the Board of Directors

- 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.
- 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 as well as to be in line with the business strategy of the company. 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 who will be recruited from experts in various specialized fields or Professional Search Firms or Directors Pools or similar organizations. 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.

- 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.
- 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.
- 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.
- 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.

## 5.2 Leadership and Vision

- The Board of Directors shall demonstrate leadership, and shall be visionary, implementing Company strategy, goals and policy in managing the business plan, and annual budget of the Company and be 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.
- 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 in the previous year, 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.

- The Board of Directors shall monitor the management to ensure that the management takes the Company strategy into consideration in management meetings and conforms to the strategies set out. The management reports to the Board of Directors 4 times per year.
- 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.

### 5.3 Conflicts of Interest

- 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.
- 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.

### 5.4 Business Ethics

- 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.
- 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.

- 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.

## 5.5 Joining or separating positions to create a balance of power with respect to work management

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.

## 5.6 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.

## 5.7 Roles, Duties and Responsibilities of the Chairman of the Directors of KTIS Group

- The Chairman of the Directors summons the yearly Board of Directors meeting, and monitors the distribution of invitation letters, including any accompanying documents for the Board of Directors to obtain adequate information in timely manner.
- The Chairman of the Directors takes the position of the Chairman of the meeting and encourages the Directors to perform in accordance with the laws and regulations.
- The Chairman of the Directors allows directors to express their opinions and considerations, and makes decision with thorough consideration and with honesty and integrity.
- The Chairman of the Directors shall receive reports from the management and subcommittees to follow up on the operation and progress of work of the Company in the Board of Directors' meeting.
- The Chairman of the Directors encourages and sets up standards to monitor the corporate governance of the Board of Directors.
- The Chairman of the Directors takes the position of the chairman of the shareholders' meeting and ensures that the meeting is in compliance with the articles of association and meeting agenda.
- The Chairman of the Directors encourages the Directors and shareholders to communicate efficiently.

## 5.8 Roles, Duties and Responsibilities of the Board of Directors of KTIS Group

- 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.
- 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.
- 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.
- 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. Notwithstanding this, the material connected transactions have to be approved by the Board of Directors.
- 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.
- 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.
- 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.
- The Board of Directors has a policy to encourage the Directors to develop their knowledge by specifying that, annually, at least 1 director has to take a course or seminar activity which increases their knowledge regarding the position of director of the Company.

## 5.9 Authorization of the Board of Directors

- Appoint, remove, and/or delegate authority to a consultant of the Board of Directors of the Company and other subcommittees
- Arrange for consultation with the expert or the consultant of the Company (if any) or an outsourced expert if necessary at the expense of the Company
- Approve policies or principles, and assign them to the management to implement in accordance with the agenda efficiency and effectively
- Approve the investment in fixed assets, equity instruments, debt instruments, investments or joint ventures in new projects in amounts that exceed the authorization power of the executive committee and laws
- Approve debt write-offs from the account according to the conditions specified by the Company
- Approve the business plan and the annual budget of the Company
- Approve share repurchase of not over 10% of the paid up capital or according to the laws Specified
- Approve financial transactions which exceed the authorization power of the management
- Approve the disposal of the fixed assets of the Company in amounts which exceed the authorization power of the executive committee and according to the laws.
- Approve financial transactions which exceed the authorization power of the executive Committee

## 5.10 Board of Directors' Meeting

- The Board of Directors will convene a Board of Directors' Meeting at least five 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. The Directors who will receive direct or indirect benefits have no right to vote and shall leave the meeting during that particular agenda item.
- The minimum quorum at the time that the Board of Directors votes is two-thirds of the total number of Directors.

- 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. The Company shall issue the minutes of the meeting in written form and retain an original copy of the invitation letter and accompanying document in electronic files in order for them to be convenient for directors and relevant persons to examine.
- 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.
- 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.
- 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.
- 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.
- In each of the Board of Directors' meetings, the company secretary will distribute the meeting documents to the Directors to consider before the meeting, pursuant to the relevant laws, prepare documents and disclosures relevant to the meeting and distribute them to the Directors at least 5 working days before the meeting.
- 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.
- 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.

- 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.
- The Board of Directors has a policy for the Company Secretary to set the schedule for the annual Board of Directors' meetings in advance for the Directors to perform their duties efficiently.

#### 5.11 Self-Evaluation of the Board of Directors

- There is annual self-evaluation of the Board of Directors as a whole to acknowledge their efficiency in working together and development in the following areas:
  1. Qualifications of the Directors
  2. Roles, duties and responsibilities of the Directors
  3. Board of Directors' meetings
  4. Performance of the Directors
  5. Relationship with the management
  6. Self-development of the Directors and development of executives
- Process of self-assessment of the Board of Director as a group
  1. The Board of Directors considers the self-assessment form of the Board of Directors as a group to be accurate in accordance with specified regulations.
  2. The Company Secretary summarizes the self-assessment of the Directors as a group and reports to the Board of Directors for their consideration.
- There is an annual self-assessment of the individual members of the Board of Directors to consider their performance and their position as a Director of the Company in order to improve their performance in the following areas:
  1. Qualifications of the Director
  2. Board of Directors' Meetings
  3. Roles, duties and responsibilities of the Director
- Process of self-assessment of the individual members of the Board of Director is as follows;
  1. The Board of Directors considers the self-assessment form of the individual members of the Board of Directors to be accurate in accordance with the specified regulations.
  2. The Company Secretary summarizes the self-assessment forms of the individual members of the Board of Directors and reports to the Board of Directors for their consideration.
- There is an annual self-assessment of the subcommittees as groups, namely the audit committee, nomination and remuneration committee, executive committee, and risk management committee, to acknowledge the performance of working together and in order to improve themselves in the following areas:



1. Qualifications of the Directors
  2. Board of Directors' Meetings
  3. Roles, duties and responsibilities of the Directors
- Process of self-assessment of the subcommittee as a group is as follows;
    1. The subcommittee considers the self-assessment form of the subcommittee as a group to be accurate in accordance with the specified regulations.
    2. The Secretary of each committee summarizes the self-assessment of the subcommittee as a group and reports to the subcommittee for their consideration.
    3. The Company Secretary reports the results of the self-assessment of the subcommittees to the Board of Directors.

### 5.12 Remuneration of directors and executives

- 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.
- The remuneration of the Chief Executive Officer 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.
- All the Directors who are not executive directors will assess the performance of the Chief Executive Officer of the groups of the Company annually in order to use such assessment in the remuneration consideration of the Chief Executive Officer of the groups of the Company by applying the standards agreed with the Chief Executive Officer of the groups of the Company according to the main criteria. This includes the results of the financial operations, the results of their implementation in accordance with the Company's strategic objectives in the long term, and the development of the executives. Notwithstanding the above, such directors who are not executive directors shall propose the results of Managing Director's assessment to the Board of Directors to consider.

### 5.13 The Subcommittee Members: duties and responsibilities

The Board of Directors shall appoint members of the subcommittee from the Board members to serve on the committee to perform special duties. The subcommittee members will be assigned from the current Board of Directors to set up 4 committees; Executive Committee, Audit Committee, Nomination and Remuneration Committee and Risk Management Committee.

#### Executive Committee

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.

Scope of power, duties and responsibilities of the Executive Committee

1. 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;
2. 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;
3. 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;
4. The Executive Committee shall efficiently oversee and monitor our operations in accordance with our management policies and guidelines as approved by the Board;
5. 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);
6. The Executive Committee shall make the following reports on our results of operations:
  - » A quarterly report of our performance shall be submitted within the timeframe prescribed by the SET;
  - » 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
  - » Other reports deemed appropriate by the Executive Committee;
7. 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.

## Audit Committee

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.

### Scope of power, duties and responsibility of the Audit Committee

1. The Audit Committee shall ensure that our financial statements are complete and accurate;
2. 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;
3. The Audit Committee shall ensure that we comply with securities and exchange laws, regulations of the SET and laws relating to our business operations;
4. 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;
5. 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;
6. The report of the Audit Committee disclosed in the annual report of the Company will be signed by the Chairman of the Audit Committee and will consist of the following information:
  - » The opinion regarding the accuracy, completeness, and credibility of the financial statement.
  - » The opinion regarding the adequacy of the internal control of the Company.
  - » The opinion regarding the compliance of the Securities Act, regulations of the Stock Exchange of Thailand or the laws related to the business of the Company.
  - » The opinion regarding the appropriateness of the auditor.
  - » The opinion regarding the conflicts of interest.
  - » The number of meetings of the Audit Committee and the attendance of each auditor thereat.
  - » The opinion or the general remarks arising from the Audit Committee's compliance with the charter of the Audit Committee.
  - » Other transactions that the shareholders and investors should be informed about regarding the duties and responsibilities of the Board of Directors.
7. 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:

- » A transaction resulting in a conflict of interest;
- » Fraud or any major irregularity or defect in our internal control system; or
- » 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

8. The Audit Committee shall perform any other activities as designated by the Board with the Audit Committee's approval.

### The Nomination and Remuneration Committee

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.

#### Scope of power, duties and responsibilities of the Nomination and Remuneration Committee

1. 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;
2. 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;
3. 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;
4. 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;
5. The Nomination and Remuneration Committee shall conduct performance evaluations and prepare an evaluation report for the Board; and
6. The Nomination and Remuneration Committee shall perform any other activities as designated by the Board.

## Risk Management Committee

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.

### Scope of power, duties and responsibilities of the Risk Management Committee

1. 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;
2. The Risk Management Committee shall determine business strategies in accordance with our risk management policies;
3. The Risk Management Committee shall approve risk management indicators;
4. The Risk Management Committee shall monitor management's compliance with our risk management policies and control the efficiency of risk management;
5. The Risk Management Committee shall monitor the sufficiency of resources such as staff and systems for risk management;
6. 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;
7. The Risk Management Committee shall monitor and report our risk status to the Board and the Audit Committee ;
8. The Risk Management Committee shall integrate corporate governance, risk management and legal compliance in order to achieve integrity-driven operations;
9. The Risk Management Committee shall set up a working team as may be appropriate; and
10. The Risk Management Committee shall perform any other activities as designated by the Board.

## 5.14 Professional Development of Directors and Executives

- 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.
- 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.

- 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.

### 5.15 Corporate Social Responsibility Policy

- 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:

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

- 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:

1. The Company must instill right practices, values and perspectives within its employees to comply with the rules and regulations in an honest manner;
2. 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;
3. 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;
4. 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.

- The Process for assessing the risk from corruption

1. The internal audit and the risk management department recommend continuously monitoring and examining the accounts annually in accordance with the opinion of the Audit Committee and reporting material issues and suggestions to the Audit Committee.
2. The risk management department is responsible for continuous testing and risk assessment of corruption in order to implement anti-corruption measures effectively. These measures have to be reviewed regularly and the assessment results have to be reported to the Risk Management Committee and also to the Board of Directors regularly.

3. If it is found that the Company operations do not comply with the anti-corruption policy, the Audit Committee will report this to the Board of Directors to improve within the appropriate timeline.

- Respecting human rights and fair treatment towards labor

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 labor protection laws.

- Community or social development

The Company recognizes the importance of taking part in corporate social responsibility and has, therefore, continuously organized projects to help and develop society, and primarily focuses on donating funds and promoting education, supporting religion, and helping and attending community activities on occasions.

- Environmental conservation

1. 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.
2. The Company has a policy to educate and train employees in environment matters annually so that every level of employee understands the impact of pollution in all aspects and to teach good management policies to reduce cost, expense and environmental problems for the sustainable growth of the Company.

- 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.

- Non violation of Intellectual Property Rights or Copyrights of others

The Company has a policy of non-violation of Intellectual Property Rights or Copyrights, such as non-violation of computer crime laws, complying with copyrights of software in both work or in non-work related issues and complying with Intellectual Property Rights, Copyright law and related laws and regulations.

# Corporate Social Responsibility

## Corporate Social Responsibility

Throughout almost half a century of its existence in the integrated sugar business, KTIS group has consistently demonstrated its commitment towards the corporate social responsibility (CSR) and treated the interest of its stakeholders such as our shareholders, investors, business partners, customers, executives and employees, including the local community as a top priority. Recognizing its status as a member of the community, the Company cares about and partakes in the betterment of the community, society and environment to achieve sustainable and collective growth.

To demonstrate its social and environmental responsibility, the Company has adopted the in-process CSR model and practiced zero waste management in all processes. To optimize the utilization of valuable resources, waste from the production process is recycled and developed into valuable by-products. After-process CSR deals with activities beyond the production process that contribute to sustainable development, and is broadly divided into 2 aspects: 1) the improvement of the relationship and the quality of life of the Company's workforce and external parties who are related to the Company, and 2) environmental protection through the development of eco-friendly and community-friendly innovations. These 2 dimensions must be addressed in parallel for optimized efficiency.

The Company's in-process CSR activities cover every step of the production, starting from the improvement of cane quality through the farmers' school project to educate our contracted cane farmers on quality cane farming. Knowledge shared with the farmers included topics such as organic farming, chemical-and- GMO-free approaches, use of parasitic wasps for biological pest control, harvest techniques, benefits of fresh cane harvesting over burnt harvesting, ratooning, trash incorporation tillage to enrich the soil and reduce the need for fertilizers, and cane watering system and irrigation. Advanced farming techniques and approaches adopted in Australia were also shared and applied as appropriate to the terrain and climate condition of each plantation area. The Company also worked on the development of agricultural tools and equipment to help the contracted farmers to reduce the costs and increase the productivity.

With our premium-quality canes, advanced production technology, and eco-friendly production process, consumers can be assured that the Company's sugar products are of superior quality and safe for consumption by internationally-recognized standards. It is worthy to also note that no bleaching is applied in our sugar production process.

As part of its in-process CSR, the Company has strived to improve its production processes and create innovations with a view to making meaningful contribution to the society and concurrently satisfying the needs of every customer segment. In the preceding year, the Company will launch the Japanese-standard liquid sucrose and super refined sugar production project to cater to the needs of clients in the food and beverage industry and the like for premium-grade sugar.



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 lesser environmental pollution and higher price of agricultural commodities. Molasses is also used in the food industry as a raw material for the production of dark soy sauce, monosodium glutamate and animal feeds.

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 save up to 32 million trees from being cut each year. As no chlorine (which causes cancer) is used in the pulp bleaching process, the Company's bleached bagasse pulp is the first pulp in Thailand that received the "GMP" and "HACCP" food safety accreditations and has been developed into molded pulp containers which are disposable and eco-friendly food containers. The pulp can also 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 plants to generate steam and electricity which power our sugar plants 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 standard of living. Besides, the biomass power which uses bagasse and cane leaves as feedstock is considered clean energy and can help reduce carbon emission.

Filter cake, sludge and vinasse, which are waste from the production process, all contain valuable organic matters and can be converted into bio-fertilizer and soil conditioner that are free of soil-degrading chemical residues and help improve the soil quality and the crop productivity.

Vinasse is a kind of waste derived from the ethanol production. To optimize the resource utilization, the waste can be used to produce biogas which is a fuel for our ethanol plants.

In addition to the minimization of waste which is an in-process CSR initiative, the Company is devoted to run after-process CSR campaign to promote the well-balanced development of all related parties, regardless of whether they are the Company's employees or not, in order that they can steadily grow in tandem with the Company. The Company holds the principles of human rights in high regard to gain trust from related individuals and groups and encourage them to learn, develop and be ready for the future challenges.

Environmental protection is an important pillar of the Company's sustainable development journey. The unremitting population growth amid finite resources makes resource depletion a great threat and environmental protection a priority. If we ignore the importance of environmental reservation, major problems may ensue. The Company believes that every element, environmental included, is inter-related and inter-dependent.

Amid globalization, new technologies, innovations and communication channels have emerged and the Company is committed to integrating these advancements into its CSR activities for the greater benefits of communities, the environment and all stakeholders, as well as to reduce costs, and to minimize waste and unproductive processes. A major aspiration of the Company is to build a sphere of harmony in which the Company and communities can live together and grow in synchrony in the stream of constant changes.

## Highlights of CSR Activities and Projects of KTIS

### Home-Temple-School + Sugar Factory Project

The Home-Temple-School project of the Company was first launched in 2013 and is still ongoing today. Under this project, the premises of villagers, temples and schools are used as cane cultivation learning centers through real-life cane farming and are accessible to students, community members and general public. Community leaders, villagers and contracted cane farmers have joined the sugar plants in providing cane breeds, fertilizers, pesticides and agricultural tools to teachers and students who take care of the demonstration cane farms under close guidance by the Company's field experts. Earnings from the cane farming is, in return, is donated to temples to support their religious activities, and to schools as scholarships for students.



### 2015 Green Village Project

The Green Village project has been arranged by the Company to boost the morale of cane farmers and featured in complete cane farm management, eco-friendly and integrated cane farming for sustainability. This culminates in the farmers' better professional knowledge about farming and ability to effectively overcome future challenges and achieve sustainable growth.



### 2015 Fresh Sugarcane Fair

Numbers of CSR activities arranged by the Company continued from 2014 into 2015. This includes the Annual Fresh Sugarcane Fair to motivate the contracted cane farmers to deliver fresh cane from green cane harvesting, and not burnt harvesting to our factories. The cane farmers are given advice about the benefits of green cane harvesting and the disadvantages of burnt harvesting such as loss of weight and sweetness (C.C.S.), impurities and contamination from burning, and damage to cane stumps which will not grow well during the next crop season. In 2015, around 10,000 contracted cane farmers attended the fair.



### 2015 Occupational Safety Week

As the safety of employees is a top priority, the Company organized the 2015 Occupational Safety Week to raise awareness about the occupational safety among our employees, encouraging them to follow occupational safety standards in order to ultimately prevent and reduce occupational accidents.



## 2015 KTIS Family Day

The Company hosted the 2015 KTIS Family Day to forge the relationship between the Company and community members and cane farmers. Activities of the day included international and traditional sports and games, including party and foods for participants.



## 2015 Innovation and Kaizen Challenge

In addition to the above projects, the Company has attached importance to activities that spur the development of innovations and technologies for the Company's business, enhanced safety of our employees and external parties, more effective work processes, and waste minimization as these activities are indirectly beneficial to the community and environment. With this end in mind, the Company launched the 2015 Innovation and Kaizen Challenge. Kaizen is a Japanese word for effective improvement and is based on the simple philosophy of "eliminate, decrease, discard and change".



The 2015 Innovation and Kaizen Challenge was a forum for our employees to freely show their opinions and creativity, and their ideas signified their earnest dedication and willingness to contribute to the growth of the KTIS group. Winning ideas were incubated and developed into innovations that could improve the work safety and optimize resource utilization.

The Company's strong commitment to the ongoing betterment of community and the environment is evident in a number of its initiatives and supports.

In giving back to the society and raising unity within communities, the Company arranged a cleaning day to improve the cleanliness and attractiveness of areas nearby.

The Company helped develop necessary infrastructure for communities, for example, by building rest houses, desks and chairs to support communal and recreational activities.

- The Company gave traffic vests and paramedic tools to officials with a view to elevating the safety of community members and officials in charge.
- To broaden the knowledge and skills of students, the Company arranged and co-hosted educational fairs for students and community members which featured brain-based learning activities.

For more information about our CSR activities and the sustainability report, please visit our website at [www.ktisgroup.com](http://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.

## Compliance

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

- 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.
- 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

In 2015, the KTIS Group Risk Management Committee, as part of its risk management oversight activities, reviewed risk management frameworks and policies based on the actual results of the risk management programs implemented in 2014, in order to enhance the enterprise-wide risk management capabilities, control the company's risks within the pre-determined risk tolerance levels, and rigorously supervised the company's risk management activities. The KTIS Group Risk Management Committee aligned corporate risk profile, key risk indicators, and risk management plans to business directions, strategic focuses, corporate goals, and the prevailing business landscapes. These guidelines were comprehensively acknowledged to and taken into action by the management team and the risk management team. In addition, the KTIS Group Risk Management Committee evaluated the risk management performance on a quarterly basis and reported the results to the Board.



# 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 2015, the Audit Committee consists of Mr. Mr.Krairit Nilkuha, the Chairman of the Audit Committee, Mr.T-rayooth Changpetch and Mr.Sathaporn Kotheeranurak, the member of the Audit Committee. All members of the Audit Committee have qualified required by applicable law or the rules and regulations of SEC or SET.

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 2015, the Audit Committee held 6 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 2015 financial statements for the year ended 31 December 2015 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 2015 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 2015 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 2015 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 2015

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 2015 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 Parties Transactions

## Related parties transactions

Related parties transactions as at 31 December in year 2014 – 2015 are as summarized below:

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
1. S.I. Property Co., Ltd. ("S.I. Property") (In the business of leasing property)	<ul style="list-style-type: none"> <li>S.I. Property has 4 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Nathapun Siriviriyakul</li> <li>Mr. Pricha Attavipach</li> <li>Miss Chua EngEng</li> <li>Mr. Sirapak Siriviriyakul</li> </ol> </li> <li>Related companies hold shares of S.I. Property.</li> </ul>	<b>Office Rental Expenses and Related Charges</b> 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, 11 <sup>th</sup> FL., Thonglor, Sukhumvit 55 Rd., KlongtonNua, Wattana, Bangkok.	1,943,951.13	1,739,842.80	<ul style="list-style-type: none"> <li>S.I. Property is the owner of 245.0 sq.m and 444.2 sq.m office spaces at Liberty Plaza Building, 11<sup>th</sup> 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.</li> </ul>
		<b>Accrued Expenses</b> Accrued common area maintenance charge.	-	4,349.73	
		<b>Security Deposit Receivables</b> 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
			December 31, 2014	December 31, 2015	
2. Aekphol Sugar Co., Ltd. ("APS") (In the business of leasing property)	<ul style="list-style-type: none"> <li>APS has 4 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Apichart Noochprayoon</li> <li>Mr. Nathapun Siriviriyakul</li> <li>Mrs. Darat Vibhatakalasa</li> <li>Mr. Sirapak Siriviriyakul</li> </ol> </li> <li>Related companies hold shares of APS.</li> </ul>	<b>Office Rental Expenses and Related Charges</b> 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 3 <sup>rd</sup> , 4 <sup>th</sup> , 6 <sup>th</sup> , 7 <sup>th</sup> and 5 <sup>th</sup> (portion of it) Fls. of the building located at 92 VibhavadiRangsit Rd., Dindaeng, Bangkok, and paid by the Company, EPC and EPPCO to APS which is the lessor of the office spaces on the 9 <sup>th</sup> -11 <sup>th</sup> Fls. of its building located at 133 VibhavadiRangsit Rd., Dindaeng, Bangkok.	13,323,685.04	12,715,079.97	<ul style="list-style-type: none"> <li>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 THB 130 - THB 230 per sq.m. The rental terms and conditions are in line with market rates and practices.</li> </ul>
		<b>Accrued Expenses</b> Accrued rental expense and related charges	150,112.43	147,784.75	
		<b>Security Deposit Receivable</b> Security deposit for the office space rent.	3,033,099.00	3,033,099.00	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
3. Thas Thai Business Co., Ltd. ("TT") (In the business of operating and establishing petrol stations)	<ul style="list-style-type: none"> <li>Related companies hold shares in TT.</li> </ul>	<b>Purchase of Gasoline</b> TT sold gasoline to the Company, TIS, EPC, EPPCO and KTBF  <b>Accounts Payable</b> Accounts payable related to the purchase of gasoline by the Company, TIS, EPC and EPPCO from TT.	187,921,070.95	154,177,109.58	<ul style="list-style-type: none"> <li>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.</li> </ul>
			13,625,857.18	13,516,079.85	
		<b>Purchase of Vehicle Tyres</b> TT sold vehicle tyres to the Company and TIS.  <b>Accounts Payable</b> Accounts payable related to the purchase of vehicle tyres the Company and TIS from TT.	3,248,425.55	2,196,878.51	<ul style="list-style-type: none"> <li>TT sold vehicle tyres to companies in KTIS group. Selling price, terms and conditions are in line with market rates and practices.</li> </ul>
			960,142.56	940,758.00	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
		<b>Revenue from Land Lease</b> 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, Taklee, Nakornsawan, and (2) land with total area of 4 rais and 9 sq.wah, located in Khung Tapao, Muang, Uttaradit. Such leases are for TT to operate its gas stations.	120,000.00	120,000.00	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
		<b>Other Payable</b> The Company and TIS received land lease fee in advance.	29,917.80	29,917.80	
		<b>Revenue from Sale of Materials</b> The Company and TIS sold materials to TT.	6,247.76	1,067.86	<ul style="list-style-type: none"> <li>The Company and TIS sold waste and materials to TT. Selling price, terms and conditions are in line with market rates and practices.</li> </ul>
		<b>Other Receivable</b> Accrued income of the Company from sale of materials.	-	-	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
4. TISS Co., Ltd. ("TISS") (In the business of exporting sugar)	<ul style="list-style-type: none"> <li>TISS has 3 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Prasert Siriviriyakul</li> <li>Mr. Nathapun Siriviriyakul</li> <li>Mr. Apichart Noochprayoon</li> </ol> </li> <li>Related companies hold shares in TISS.</li> </ul>	<b>Export Expenses</b> 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.	33,778,986.14	32,786,049.63	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Prices, fees, terms and conditions agreed with TISS are in line with the market rates and practices.</li> <li>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.</li> <li>Fee to be paid to TCSC is in line with the market rates and practices.</li> </ul>
		<b>Accrued Expenses</b> Accrued expenses of TIS for export fees and service provided by TISS.	-	15,746.22	
		<b>Other Receivable</b> Sugar export fee which TISS must pay to TCSC.	-	-	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
		<b>Packing Credit</b> <ul style="list-style-type: none"> <li>The Company and TIS obtained short-term credits from related companies.</li> <li>Interest expense</li> <li>Accrued interest payable</li> </ul>	682,000,000.00	-	<ul style="list-style-type: none"> <li>TISS solicited packing credit facilities from commercial banks on behalf of the Company and TIS.</li> <li>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.</li> <li>TISS received revenue sale sugar from foreign buyers. And in the during to pay back KTIS .</li> </ul>
		<b>Other Receivable</b> Revenue from sale of sugar export	144,889,720.54 -	4,138,541.65 -	
			61,009,046.23	-	
5. Siam P.P. International Co., Ltd. ("Siam PP") (In the business of producing and distributing lime)	<ul style="list-style-type: none"> <li>Siam PP has 1 common director with the Company, namely Mr.Nathapun Siriviriyakul.</li> <li>Related companies hold shares in Siam PP.</li> </ul>	<b>Lime Trading</b> Siam PP sold lime, a raw material used in the production of sugar and pulp, to the Company and EPPCO.	131,726,359.11	80,522,610.44	<ul style="list-style-type: none"> <li>Siam PP sold lime to the Company and EPPCO. Selling price, terms and condition are in line with the Company's internal policies.</li> <li>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.</li> <li>The saidhandbook has immediate effect.</li> </ul>
		<b>Accounts Payable</b> Accounts payable associated with the purchase of lime by the Company and EPPCO from Siam PP.	12,305,717.39	7,249,917.19	



**KTIS**  
More Than Sugar

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
6. Ruamkij Angthong Warehouse Co., Ltd. ("Ruamkij") (In the business of leasing warehouses)	<ul style="list-style-type: none"> <li>Ruamkij has 4 common directors with the Company:               <ol style="list-style-type: none"> <li>Mrs. Darat Vibhatakalasa</li> <li>Mr. Nathapun Siriviriyakul</li> <li>Mr. Apichart Noochprayoon</li> <li>Mr. Sirapak Siriviriyakul</li> </ol> </li> <li>The Company's shareholders and related companies hold shares in Ruamkij.</li> </ul>	<b>Storage Service Fees</b> 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.	123,365,407.91	80,818,212.80	<ul style="list-style-type: none"> <li>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.</li> <li>Ruamkij provides logistics service for the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.</li> </ul>
		<b>Accrued Expenses</b> Accrued warehouse rental expenses of the Company and TIS payable to Ruamkij.	8,408,940.33	5,740,279.36	
		<b>Logistics Service Fee</b> In addition to warehouse leasing, Ruamkij provides logistics services to the Company and TIS.	117,426,375.00	117,623,518.36	
		<b>Accrued Expenses</b> Accrued logistics service fees of the Company and TIS payable to Ruamkij.	12,054,680.67	7,160,679.73	



Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
7. RuamToon Warehouse Nakornsawan Co., Ltd. ("RuamToon") (In the business of leasing warehouses)	<ul style="list-style-type: none"> <li>RuamToon has 1 common director with the Company, namely Mr.Praserit Siriviriyakul</li> <li>The Company's shareholders and related companies hold shares in RuamToon.</li> </ul>	<b>Storage Service Fees</b> The Company and TIS rent Ruamkij's warehouses.  <b>Accrued Expenses</b> Accrued warehouse rental expenses of the Company and TIS payable to RuamToon.	69,560,740.24	47,758,015.26	<ul style="list-style-type: none"> <li>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</li> </ul>
			4,308,537.20	2,260,785.28	
		<b>Logistics Service Fee</b> In addition to warehouse leasing, RuamToon provides logistics services to the Company and TIS.  <b>Accrued Expenses</b> Accrued logistics service fees of the Company and TIS payable to RuamToon.	22,053,461.76	20,866,680.52	
			2,426,845.44	1,786,265.30	
		<b>Revenue from sales sugar</b>	-	817,552.80	<ul style="list-style-type: none"> <li>RuamToon has purchased sugar from wet deposits from TIS prices and trading conditions, according to market prices and trading conditions.</li> </ul>



Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
8. K.T.S Industry Co., Ltd. ("KTSI") (In the business of providing machinery repair and maintenance services)	<ul style="list-style-type: none"> <li>Mr. Pongpop Popvipak, a director and major shareholder of KTSI, has the authority to control the Company.</li> </ul>	<p><b>Expenses on Plant Maintenance Services and Spare Parts</b></p> <p>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> <p><b>Revenue from Sale of Materials</b></p> <p>KTSI made payments for materials, welding wires and gas sold by the Company, TIS, EPPCO and EPC.</p>	-	-	<ul style="list-style-type: none"> <li>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.</li> <li>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%.</li> </ul>

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
		<b>Assets of Biomass Power Plant</b> 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.	-	-	<ul style="list-style-type: none"> <li>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.</li> <li>The said handbook has immediate effect.</li> <li>KTBPengaged KTSI in the machinery installation 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 KTSI is not expensive than similar projects of KTBP.</li> </ul>



Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
		<b>Other Goods</b> EPPCO purchased factory construction materials from KTSI.	-	-	<ul style="list-style-type: none"> <li>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.</li> <li>The said handbook has immediate effect.</li> </ul>
		<b>Trade Receivable</b> Expense payable to EPPCO for the construction of steam transformer equipment.	2,140,000.00	2,140,000.00	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
9. Thai Wisanu Nakornsawan Co., Ltd. ("Thai Wisanu") (In the hotel business)	<ul style="list-style-type: none"> <li>Thai Wisanu has 4 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Parphan Siriviriyakul</li> <li>Mrs. Darat Vibhatakalasa</li> <li>Mr. Prasert Siriviriyakul</li> <li>Mr. Nathapun Siriviriyakul</li> </ol> </li> <li>Related companies hold shares in Thai Wisanu.</li> </ul>	<b>Hotel Fees</b> Thai Wisanu is the owner of Grand Wisanu Plaza Hotel located at 26-28 Attakawerod, Muang, Nakornsawan. The Company and TIS have occasionally used accommodations and services from the hotel.	678,584.77	622,090.41	<ul style="list-style-type: none"> <li>KTIS group has used hotel accommodation and services from Thai Wisanu on an arm's length basis.</li> </ul>
		<b>Accrued Expenses</b> Fees for hotel rooms and services payable by the Company and TIS to Thai Wisanu.	112,828.00	84,200.00	
10. Weswisanu Co., Ltd. ("Weswisanu") (In the business of leasing hostels)	<ul style="list-style-type: none"> <li>Thai Wisanu Nakornsawan Co., Ltd., a related party of the Company, hold shares in Weswisanu.</li> </ul>	<b>Employee Dormitory Rent</b> 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.	6,450,560.00	5,391,437.50	<ul style="list-style-type: none"> <li>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.</li> </ul>
		<b>Accrued Expenses</b> Accrued expenses of EPC and EPPCO payable to Weswisanu for employee dormitory rent.	608,870.00	454,065.00	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
11. K.T.S.Enterprise and Trading Co., Ltd. ("KTSE") (In the business of producing and distributing machinery and equipment)	<ul style="list-style-type: none"> <li>Mr. Pongpop Popvipak, a director and major shareholder of KTSE, has the authority to control the Company.</li> </ul>	<b>Assets of Biomass Power Plant</b> 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.	-	-	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The said handbook has immediate effect.</li> </ul>
		<b>Accounts Payable</b> 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
			December 31, 2014	December 31, 2015	
12. SuebSiriSawat Co., Ltd. ("SuebSiri Sawat") (In the business of selling, purchasing and leasing property) business)	<ul style="list-style-type: none"> <li>Related companies hold shares in SuebSiriSawat</li> </ul>	<p><b>Land Lease Expense</b> 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.</p> <p><b>Prepaid Lease Fees</b> Prepayment of the land lease fees</p>	200,000.00	200,000.00	<ul style="list-style-type: none"> <li>EPC leased the land from SuebSiriSawat. The price, terms and conditions are more favorable for EPC than the market rates and conditions.</li> <li>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.</li> </ul>
13. RuamToon Trading Nakornsawan Co., Ltd. ("RuamToon Trading Nakornsawan") (In the transportation business)	<ul style="list-style-type: none"> <li>RuamToon Trading has 1 common director with the Company, namely Mr. Prasert Siriviriyakul.</li> <li>Related companies hold shares in RuamToon Trading.</li> </ul>	<p><b>Sugar Transportation Cost</b> TIS engaged RuamToon Trading in the transportation of sugar to the warehouses.</p> <p><b>Accrued Transportation Expenses</b> Sugar transportation expenses</p> <p><b>Other Revenue</b> Compensation for damage of goods (sugar) paid to TIS</p>	34,890,587.87	15,804,863.57	<ul style="list-style-type: none"> <li>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.</li> </ul>
			4,709,163.59	1,797,574.89	
			121,573.57	34,442.67	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
		<b>Deposit – Transportation Cost</b> 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.	644,300.00	1,071,700.00	
14. Siri Charoen Export Co., Ltd. ("Siri Charoen") (Currently not involved in any business)	<ul style="list-style-type: none"> <li>Siri Charoen has 1 common director with the Company, namely Mr. Apichart Noochprayoon.</li> <li>Directors and related parties hold shares in Siri Charoen.</li> </ul>	<b>Loan Payable from Restructured Debts</b> <ul style="list-style-type: none"> <li>TIS owed debts from loan SiriCharoen</li> <li>Interest expense</li> <li>Accrued interest payable</li> </ul>	92,150,000.00  458,907.00 657,615,028.56	87,300,000.00  362,295.00 627,977,323.56	<ul style="list-style-type: none"> <li>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. MontreeLekvichittada 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.</li> </ul>



Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
					<ul style="list-style-type: none"> <li>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 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.</li> <li>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</li> </ul>

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
15. 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"> <li>RPE has 5 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Parphan Siriviriyakul</li> <li>Mr. Prasert Siriviriyakul</li> <li>Mr. Nathapun Siriviriyakul</li> <li>Mr. Sirivuthi Siamphakdee</li> <li>Mrs. Darat Vibhatakalasa</li> </ol> </li> <li>The Company's shareholders and related companies hold shares in RPE</li> </ul>	<p><b>Purchase of Sugar and Molasses</b> The Company, TIS and EPC purchased sugar and molasses from RPE.</p> <p><b>Accounts Payable</b> Accounts payable associated with the purchase of sugar and molasses</p>	-	-	<ul style="list-style-type: none"> <li>Purchases of sugar and molasses can be divided into:               <ol style="list-style-type: none"> <li>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. 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 cost of THB0.15 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.</li> </ol> </li> </ul>

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
					<ul style="list-style-type: none"> <li>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.</li> <li>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</li> </ul>
		<b>Accounts Payable</b> Expenses on fertilizers and pesticides	-	-	<ul style="list-style-type: none"> <li>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.</li> </ul>
		<b>Accounts Payable</b> Expenses on factory equipment	-	-	<ul style="list-style-type: none"> <li>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.</li> </ul>



Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
		<b>Land Lease Expenses</b> KTIS leased land, with total area of 173 rai, 95.9 sq.wah., located at Ban Ma Glua, Muang, Nakornsawan.	5,300,000.00	5,300,000.00	<ul style="list-style-type: none"> <li>The Company leased land from RPE, which was part of the lease of sugar factories from RPE.</li> <li>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.</li> <li>The land lease agreement has the term of 30 years and can be renewed to extend the term for another 30 years.</li> <li>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.</li> </ul>
		<b>Deposit – Factory Lease Fees</b> Rental deposit for land and machinery of sugar factories.	101,000,000.00	101,000,000.00	
		<b>Prepaid Expenses</b> Prepayment of the land, factory and machinery lease fees	83,868,113.87	3,312,499.99	
		<b>Debts under Financial Lease</b> Debts under financial lease for building and machinery	818,024,482.11	812,307,175.14	
		<b>Accrued interest payable</b> Interest payable on finance leases.	33,038,316.36	33,507,670.95	
		<b>Financial Costs</b> Interest expenses under financial lease for building and machinery	90,336,805.51	89,746,854.10	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
16. SiriCharoen Sapruiwan Co., Ltd. ("SSPW") (operates hotel and resort business)	<ul style="list-style-type: none"> <li>SSPW has 3 common directors with the Company:               <ol style="list-style-type: none"> <li>Mr. Pricha Attavipach</li> <li>Miss Chua EngEng</li> <li>Mr. Sirapak Siriviriyakul</li> </ol> </li> <li>The Company's shareholders and related companies hold shares in SSPW.</li> </ul>	<p><b>Resort Fees</b> 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><b>Accrued Expenses</b> Accommodation fees for rooms and services used by TIS, EPPCO, EPC and KTBP.</p>	2,743,921.69	553,638.70	<ul style="list-style-type: none"> <li>KTIS group has used hotel accommodation and services from SSPW on an arm's length basis.</li> </ul>
17. Nakornsawan Ruamtoonpattana Co., LTD ("Nakornsawan Ruamtoonpattana") (In the transportation business)	<ul style="list-style-type: none"> <li>Nakornsawan Ruamtoonpattana has 1 common director with the Company, namely Mr. Prasert Siriviriyakul.</li> <li>The Company's shareholders and related companies hold shares in Nakornsawan Ruamtoonpattana.</li> </ul>	<p><b>Sugar Transportation Cost</b> TIS engaged Nakornsawan Ruamtoonpattana in the transportation of sugar to the warehouses.</p> <p><b>Accrued Transportation Expenses</b> Sugar transportation expenses</p> <p><b>Other Revenue</b> Compensation for damage of goods (sugar)</p>	1,603,211.00	11,428,621.89	<ul style="list-style-type: none"> <li>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.</li> </ul>
			1,603,211.00	1,612,719.31	
			-	33,196.43	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
18. Poomlert Business Co., Ltd ("PB") leasing of agricultural machinery.	<ul style="list-style-type: none"> <li>Poomlert Business has 1 common director with the Company, namely Mr. Sirapak Siriviriyakul</li> <li>The Company's shareholders and related companies hold shares in PB</li> </ul>	<b>Car milling sugar cane Lease Expenses</b> KTIS and TIS has rented car packed sugar cane leaves.	-	3,000,000.00	<ul style="list-style-type: none"> <li>KTIS and TIS has rented car packed sugar cane leaves. For milling sugar cane leaves Using a fuel additive</li> </ul>
19. PoomPattana Co., Ltd ("PP") Property Business	<ul style="list-style-type: none"> <li>Related parties hold shares in PP</li> </ul>	<b>Land Lease Expenses</b> KTBF leased land  <b>Accrued expenses</b> Costs payable from KTBF leased land.	-  -	6,616.44  6,616.44	<ul style="list-style-type: none"> <li>KTBF has leased the land from PP for use as fertilizer plant and operate area.</li> </ul>

## Conclusions relating to the related party transactions

After having thoroughly considered all the connected transactions for the financial year ended December 31, 2015, 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. 1/2016 held on February 22, 2016, concluded that the connected transactions for the financial year ended December 31, 2015 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 and Analysis : MD&A

## Significant accounting standards policy

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.

### 1. Auditor for the consolidated and company financial statements in three years.

Financial Statements as at 31 December, 2013.

Prasit Yuengsrikul

Certified Public Accountant (Thailand) No. 4174

PricewaterhouseCoopers ABAS Ltd.

Financial Statements as at 31 December, 2014.

Prasit Yuengsrikul

Certified Public Accountant (Thailand) No. 4174

PricewaterhouseCoopers ABAS Ltd.

Financial Statements as at 31 December, 2015.

Prasit Yuengsrikul

Certified Public Accountant (Thailand) No. 4174

PricewaterhouseCoopers ABAS Ltd.

### 2. Auditor's Reports for three years.

Auditor's opinion for financial statements as at 31 December 2013

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 2013, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Auditor's opinion for financial statements as at 31 December 2014

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

#### Auditor's opinion for financial statements as at 31 December 2015

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 2015, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Business performance summary in 2015

Sales and services revenues in 2015 were Baht 19,328.2 million, decreased Baht 791.9 million or 3.9%, compared with those of the same period of 2014 at Baht 20,120.1 million. This was due to decreases of revenues from all product lines, namely, revenue from sugar business decreased 1.9% resulting from a decrease of average world sugar selling price in 2015, revenue from breached bagasse pulp sales decreased 18.3% from decreases in pulp sales volume, revenue from ethanol sales decreased 5.8% in line with decreases of world oil price, and revenue from electricity sales decreased 12.6% as a result of the more in-house consumption of steam and electricity, the less selling electricity units. Also, revenue from agricultural machinery services and others decreased 3.1%.

Other income in 2015 was Baht 128.3 million, decreased Baht 100.3 million or 43.9%, compared with that of the same period of 2014 at Baht 228.6 million, due to lower Sugar Quota B right and lower gain on realized discount from transfer right of farmer receivables in 2015

Total revenue consists of sales and services revenues and other income. The Company and its subsidiaries' total revenues in 2015 were Baht 19,456.5 million, decreased Baht 892.2 million or 4.4%, compared with those of the same period of 2014 at Baht 20,348.8 million.

Cost of sales and services in 2015 were 14,854.2 million, decreased Baht 48.3 million or 0.3%, compared with those of the same period of 2014 at Baht 14,902.5 million, in line with the decreases of revenue from sales and services.

Selling and administrative expenses in 2015 were Baht 3,362.2 million, decreased Baht 57.1 million or 1.7%, compared with those of the same period of 2014 at Baht 3,419.2 million. This was due to lower warehouse expenses from increases of sugar selling volume, and transportation costs also decreased in line with decreases of fuel oil

The Company recorded the loss on foreign exchange rate in 2015 at Baht 172.9 million, compared with that of the same period of 2014, which recorded the loss on foreign exchange rate at Baht 180.4 million. Because Thai Baht against US dollars was weaker than forward rate that the company fixed with the Bank.

Financial costs in 2015 were Baht 372.9 million, decreased Baht 42.4 million or 10.2%, compared with those of the same period of 2014 at Baht 415.3 million, due to re-arrangement of borrowings to get the lower interest rate.

From the above factors, net profit in 2015 was Baht 729.9 million, decreased 46.6%, from 2014 at Baht 1,365.8 million, as a result of changes in revenues and expenses as aforementioned

## Income statements analysis

Income	2014 (million Baht)	2015 (million Baht)	Change (million Baht)	Change %
Revenue from the sales and services	20,120.1	19,328.2	(791.9)	-3.9%
Sugar business	15,644.3	15,340.6	(303.7)	-1.9%
Revenue from sale of sugar	14,848.7	14,351.7	(497.0)	-3.3%
Revenue from sale of molasses.	795.6	766.5	(29.1)	-3.7%
Compensation for sugar production and distribution	-	222.4	222.4	
Subsidiaries business	4,475.8	3,987.6	(488.2)	-10.9%
Revenue from sale of ethanol.	1,740.3	1,638.6	(101.8)	-5.8%
Revenue from sales of bagasse bleached pulp	1,598.2	1,305.5	(292.8)	-18.3%
Revenue from sales of electricity	616.0	538.3	(77.7)	-12.6%
other	521.3	505.2	(16.0)	-3.1%
Other income	228.6	128.3	(100.3)	-43.9%
<b>Total income</b>	<b>20,348.8</b>	<b>19,456.5</b>	<b>(892.2)</b>	<b>-4.4%</b>

### Total revenues

The company total revenues in 2015 were Baht 19,456.5 million, decreased Baht 892.2 million or 4.40 % decrease from 2014 which were Baht 20,348.8 million. The details are as follows,

## Sugar business.

Revenues from sugar business in year 2015 and 2014 were Baht 15,340.6 million and Baht 15,644.3 million, decreased Baht 303.7 million or 1.9% resulted from the following key factors:

- In 2015, sugar sales volume increased 79,291.1 tons or 7.9% from 2014
- The average export sales price in 2015 was Baht 11,690.3 per ton decreased 13.0% from Baht 13,442.8 per ton in 2014. The sugar price in commodity market (New York No.11) decreased as a result of the depreciation of the Brazilian Real against the U.S dollar and its policy to increase the proportion in producing ethanol from sugar cane juice. At the same time, the stock of sugar in the world market that carried over from the previous year was very high.

However, the impact of El Nino will affect the decrease in the stock of sugar in the world market. Report from LMC forecasted that the stock of sugar in the world market would become shortage in 2015/16

- The average domestic sales price in 2015 was at the same price in 2014 which was under Government control.
- The sale of molasses volume in 2015 and 2014 were 181,703.4 tons and 187,979.3 tons decreased 3.3%.

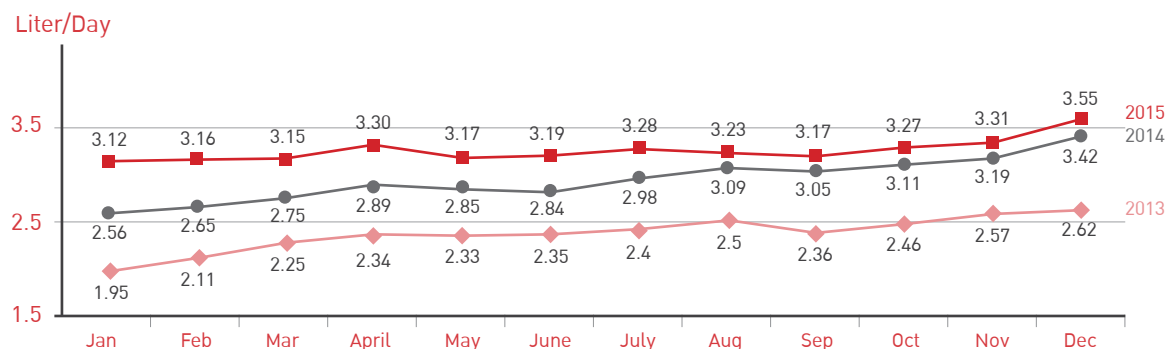
The average sales of molasses price in 2015 was Baht 4,218.4 per tons, slightly decreased 0.3% from Baht 4,232.4 per ton in 2014.

## Subsidiaries business

Revenues from subsidiaries business in 2015 and 2014 were Baht 3,987.6 million and Baht 4,475.8 million respectively, decreased 10.9 %, which resulted from

1. Revenue from the sale of ethanol in 2015 and 2014 were Baht 1,638.6 million and Baht 1,740.3 million respectively, down 5.8 % because of the following factors.
  - Sales volume of ethanol in 2015 and 2014 was 66.6 million liters and 68.8 million liters, respectively, down 3.2 % from the rising competition in the industry, while the ethanol growth of domestic consumption did not increase much.
  - The average sales price of ethanol in the country in 2015 was Baht 24.59 per liter, down slightly from the year 2014 at Baht 25.29 per liter as a result of the decline in world oil prices.

The following graph shows the consumption of ethanol for three years.

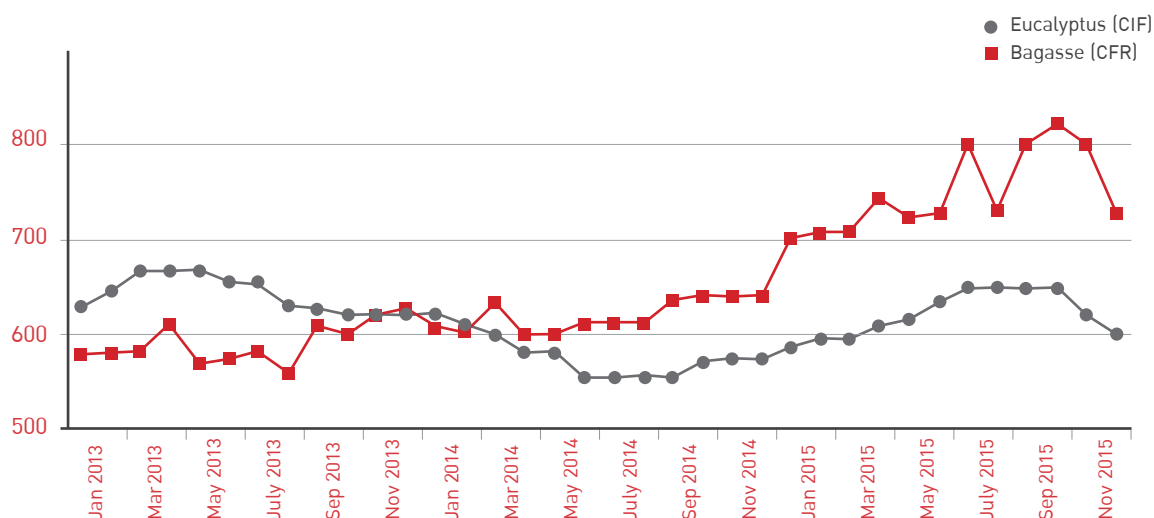


Source: data from the Department of Energy

2. Revenue from the sale of bagasse bleached pulp for the year 2015 and 2014 was Baht 1,305.5 million and Baht 1,598.2 million, respectively, down 18.3 % as a result of the following factors

- Sales volume of bagasse bleached pulp in 2015 and 2014 were 58,745.7 tons and 85,458.3 tons, down by 31.3 %, the volume of sales in domestic and overseas sales volumes decreased because of the popularity of the publications being replaced by digital media.
- Average selling prices for bagasse bleached pulp in the country rose to 20,254.5 baht per ton in 2015 from 17,529.3 baht per ton in 2014 and average selling prices for bagasse bleached pulp overseas turned higher to 22,858.1 Baht per ton in 2015 from 19,165.4 Baht per ton in 2014 due to the market acceptance of the good features of bagasse bleached pulp that is environmentally friendly. The company is one of the fewer bagasse bleached pulp producers of the world that could stipulate the selling price at a certain level

The following graph shows the change in the price of bleached pulp from bagasse past three years.



Source: Data from RISI.

3. Revenue from electricity sales in 2015 and 2014 was Baht 538.3 million and Baht 616.0 million respectively, down 12.6 % since the steam and electricity generated from KasetthaiBioPower Co, Ltd. (KTBP) had been utilized in sugar factory so the sale of electricity reduced.
4. Revenues from other sales and services incomes were Baht 505.2 million and Baht 521.3 million respectively, down 3.1 %, mainly derived from providing services to farmers were reduced

### Other income

Other income in 2015 was Baht 128.3 million, decreased 43.9 % from Baht 228.6 million in 2014 due to lower Sugar Quota B right and lower gain on realized discount from transfer right of farmer receivables in 2015

### Cost of sales and services, and gross profit margin.

Comparison for cost of sales and services, and gross profit margin between 2015 and 2014 are shown in the table below.

Cost of sales and services in 2015 was Baht 14,854.20 million, decreased 0.3 % from 2014 at Baht 14,902.5 million in accordance with the decrease in the revenues from sales and services.

Income	2014 (million Baht)	2015 (million Baht)	Change (million Baht)	Change percent
<b>Revenues from sales and services.</b>	<b>20,120.1</b>	<b>19,328.2</b>	<b>(791.9)</b>	<b>-3.9%</b>
Sugar business	15,644.3	15,340.6	(303.7)	-1.9%
Subsidiaries business	4,475.8	3,987.6	(488.2)	-10.9%
<b>Cost of sales and services</b>	<b>14,902.5</b>	<b>14,854.2</b>	<b>(48.3)</b>	<b>-0.3%</b>
Sugar business	12,437.6	12,643.2	205.6	1.7%
Subsidiaries business	2,464.9	2,210.9	(253.9)	-10.3%
<b>Gross profit</b>	<b>5,217.7</b>	<b>4,474.1</b>	<b>(743.6)</b>	<b>-14.3%</b>
Sugar business	3,206.7	2,697.5	(509.3)	-15.9%
Subsidiaries business	2,011.0	1,776.6	(234.4)	-11.7%
<b>Gross margin</b>	<b>25.9%</b>	<b>23.1%</b>	<b>-</b>	<b>-2.8%</b>
Sugar business	20.5%	17.6%	-	-2.9%
Subsidiaries business	44.9%	44.6%	-	-0.4%

Gross profit in 2015 was 23.1 % decreased from the profit 25.9% in 2014 because gross profit from both sugar and bio-business decreased.

Gross profit from sugar business decreased due to.

- Average sales price of sugar in 2015 Baht 13,287.8 per ton, decreased from Baht 14,837.2 per ton in 2014.
- Average sales price of molasses in 2015 Baht 4,218.4 per ton, decreased from Baht 4,232.4 per ton in 2014.

Gross profit from bio business decreased from.

- Average sales price of ethanol in 2015 Baht 24.59 per liter, decreased from Baht 25.29 per liter in 2014.
- Bagasse bleached pulp sales volume in 2015 = 58,745.7 tons, decreased from 85,458.3 tons in 2014.
- Average sales price of electricity in 2015 Baht 3.34 per unit, decreased from Baht 3.52 per unit, in 2014.

### Selling and administrative expenses

Selling and administrative expenses was Baht 3,362.2 million, decreased Baht 57.1 million or 1.7% from 2014 at Baht 3,419.2 million. The main reasons were the decrease in warehouse cost and transportation cost as proportionate to the decrease in fuel prices.

### Profit (loss) on exchange rate

The company recorded a loss on exchange rate in 2015 amounted to Baht 172.9 million, compared to the loss in 2014 at Baht 180.4 million. The value of the Baht against the US dollar was weaker than the forward rate fixed by the company on foreign sales to prevent the risk of exchange rate fluctuations.

### The financial cost.

Finance costs in 2015 was Baht 372.9 million decreased Baht 42.4 million or 10.2% down from 2014 at Baht 415.3 million as the company had restructured loans and financial management.

### Net profit and net profit margin

Net profit in 2015 was Baht 729.9 million or 46.6 % decreased from 2014 at Baht 1,365.8 million. The net profit margin in 2015 and 2014 was 3.8% and 6.8% respectively.

## Analysis of the financial position (Consolidated)

### Assets

As at 31 December 2015, Total assets were Baht 18,793.2 million, increased 0.6 % from 2014 at Baht 18,689.9 million.

- As at 31 December 2015, Current assets were Baht 5,578.0 million, decreased 28.2 % from 2014 which were Baht 7,766.6 million. The main reasons were:
  - Cash and Cash Equivalents decreased Baht 481.3 million.
  - Trade and Other receivables, net increased to Baht 324.6 million.
  - Inventories, net decreased Baht 1,931.1 million as sales increased.
- Non-current assets as at 31 December 2015 were Baht 13,215.2 million, increased 21.% from 2014 which were Baht 10,923.3 million. The main reasons were
  - Other Receivable - Office of the Cane and Sugar Fund was Baht 798.1 million. which should be paid to the sugar factory by Office of the Cane and Sugar Fund as the compensation for sugar production and distribution.
  - Property, plant and equipment, net increased Baht 1,281.7 million as to the investment purposes stated in the prospectus (IPO). Which were two biomass power plants and liquid sucrose and super refined sugar project.

### Liabilities

As at 31 December 2015, total liabilities were Baht 10,100.8 million, decreased 0.2 % from year 2014 which were Baht 10,117.4 million.

- Current liabilities as at 31 December 2015 were Baht 4,948.9 2558 million, decreased 31.1 % from year 2014 which were Baht 7,181.7 million. The main reasons were
  - Short-term borrowings from financial institutions reduced Baht 628.7 million.
  - Trade and other payables decreased Baht 824.9 million.
  - Short-term borrowings from related parties decreased Baht 682.0 million.
- Non-current liabilities as at 31 December were Baht 5,151.9 2558 million, increased 75.5 % from year 2014 which were Baht 2,935.8 million. The company had restructured financial borrowings in order to get lower financial costs by increasing Baht 2,283.5 million on net long-term borrowings.

### Shareholders' equity

As at 31 December 2016, Shareholders' equity was Baht 8,692.5 million, increased 1.4 % from 2014, which was Baht 8,572.4 million.



## The adequacy of funds

The company has relationships with various financial institutions who give financial support for the company working capitals and investments. Meanwhile, the company has utilized various financial instruments for financial management. As a result, in 2015 the company could reduce the financial cost more than 10% from year 2014..

In addition, the company has the non-collateral credit line of Baht 5,000 million, in short-term Bills of Exchange(specified payee) for 270 days under Thai Baht currency.

## Financial liquidity

Liquidity ratio according to the consolidated financial statements as at 31 December 2015 was 1.13 times, an increase from year 2014 which was 1.08 times. And Quick ratio was 0.54 times, an increase from year 2014 which was 0.41 times.

The company has adequate financial liquidity in business and many sources of fund at reasonable cost. With the trustworthiness obtained from many financial institutions that support the company for long time, the company has the credit line of working capital with the terms and interest rates that are suitable for the business competition

In 2015, the company had developed and designed the financial products with the financial institutions and utilized to manage the financial liquidity of the business group. As a result, it could reduce a lot in financial cost of the group.

## Capital structure

The company has a policy to manage firm financial structure which is appropriate to support the business operations of the Group and increases share value of shareholders upon business benefits and minimized financial risks.

To reduce financial risk, the company had restructured long-term and short-term debts, the proportion of debt between floating interest rate and fixed interest rate under the appropriate capital management and investment in subsidiaries.

In 2015, Debt to Equity Ratio was 1.16 times, same as year 2014 which was 1.16 times which was not a significant financial structure risk. The company still has the ability to take additional leverage in a financial restructuring of the group, including investment opportunities in future projects.

## Cash flow.

In 2015, net Cash flow from operating activities was Baht 1,812.8 million. Cash flow used in investing activities Baht 2,386.1 million, and cash flow from financing activities was Baht 92.0 million, so the cash and cash equivalents decreased by Baht 481.3 million baht.

Combined with the beginning cash and cash equivalents at Baht 828 million, the ending cash and cash equivalents amounted to Baht 346.7 million.

## Capital expenditure and funding source

In 2015, net cash flow used in investing activities amounted to Baht 2,386.1 million for two 50 MW biomass power plant projects and the liquid sucrose and super refined sugar project, in according with the company's purpose of Initial Public Offering in the stock market and for the fund used to improve production efficiency..

## Factors or events that will affect the financial position or operations in the future

The uncertainties of the global economic recovery from the economic stagnation affect consumer demand for goods, the instable commodity price and the low oil price, and slowdown production and sales activities.

In 2016, the trend of the world sugar market will still be under pressure due to it has been realized five consecutive years. The trend of low sugar price will cause farmers to change crops and reduced sugar cane production in some countries. So the forecast of sugar production is expected to be lower and the consumption will be higher in 2015/2016. As a result, the world sugar supply and demand balance will be in deficit..

The forecast of Thai sugar cane production and distribution is still steady, even though the quantity is likely to decrease from the past year because of the drought. However, as Thailand is one of the major exporters in the world sugar market, especially in Asia, the export opportunity will be higher. If the world sugar price rebounds, the positive effects will be brought to Thai sugar industry, including our group. In addition, the product development project of Liquid sucrose and Super refined sugar which will be completed and started commercially in 2016 will increase revenue of our group.

The performance of the Bio-business companies in 2016 are expected to be in good prospect as follows,

### Pulp business

Despite the feeble economic recovery and economic slowdown in certain countries, the demand for bagasse pulp remained positive. Especially, the customers who are environmental oriented business, changed to use bagasse pulp as raw material which create good image for their products such as eco-friendly packaging, printing and writing paper and sanitary paper etc. As we are one of the bleached bagasse pulp manufacturers which are very few, we are able to sell at a reasonable price.

### Ethanol business

As to the Alternative Energy Development Plan for 2015 – 2036 (known as AEDP 2015), the government aims to encourage the proportion of the alternative energy consumption from the current level of 11.9% to 30% of Thailand's total energy demand by 2036. The ethanol production and consumption need to be increased to 11.3 million liters per day or approximately 4,125 million liters per year by 2036 backed with a solid ethanol consumption promotion strategy. To this end, the levy on gasohol for the national fuel fund has been adjusted to an appropriate level to motivate consumers to use the ethanol-blended E20 and E85. Therefore, more opportunities to enhance and expand ethanol production capacity in the future are growing.

There are also opportunities to expand and develop a variety of ethanol products other than fuel. With steady raw material supply, our customers will be assured with punctual and reliable product delivery. The company also joins with business partners to develop and expand the new products for usage of ethanol as raw materials.

### Biomass power plants

The company has policy to add value to waste from sugar production process, bagasse, as fuel to produce electricity. Also, have other plans for the procurement of additional fuels for more electricity generation i.e. cane trashes etc.

The two biomass power plant projects are expected to start commercial operation in 2016 that will increase the company revenue.

The company pays attention to such factors significantly, so the Board of Directors has assigned the risk management committee to regularly monitor, review and assess risk in order to ensure the implementation of policies with consist to the risk management plan and measures in all aspects until the risks are controlled in the suitable and acceptable level.

# Declaration of the Directors' Responsibility for the Financial Statements

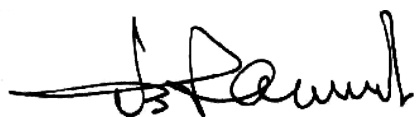
The Board of Directors of the Kaset Thai International Sugar Corporation Plc. has prepared the Company's financial statements to show its financial status and performance for 2015 under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act 1992, and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions, and reporting method for the disclosure of information on financial status and performances of companies the issue securities.

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2015. Such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the noted to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective risk management and internal control systems to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent fraud or significant anomalies in operation.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system, and its opinions duly appear in its own report found in this publication.

It is our view that the Company's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of the Company and its subsidiaries ended December 31, 2015 are reliable under generally accepted accounting standard, legally sound, and acceptable to relevant regulations.



Mr. Pricha Attavipach  
Chairman



Mr. Parphan Siriviriyakul  
Chief Executive Officer

# 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 2015, 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 2015, 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  
22 February 2016

# Kaset Thai International Sugar Corporation Public Company Limited

## Statement of Financial Position

As at 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	346,726,919	828,067,998	132,446,050	565,670,046
Short-term investments		-	965,041	-	-
Restricted bank deposits		-	10,022,406	-	-
Trade and other receivables, net	8, 29	1,770,900,583	1,446,269,719	1,138,550,704	760,629,982
Farmer receivables, net	9	431,465,031	519,154,142	251,324,997	343,107,724
Short-term borrowings to related parties	29	-	-	1,432,008,759	2,230,500,000
Inventories, net	10	2,914,631,467	4,845,698,392	1,772,324,481	3,319,050,343
Other current assets	29	114,284,426	116,389,776	58,054,623	11,706,107
<b>Total current assets</b>		<b>5,578,008,426</b>	<b>7,766,567,474</b>	<b>4,784,709,614</b>	<b>7,230,664,202</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	9,224,929,779	7,171,709,045
General investments		394,300	394,300	130,085	130,085
Other receivable - Office of the Cane and Sugar Fund	12	798,054,570	-	666,154,679	-
Investment properties, net	13	323,178,361	304,223,878	16,498,832	16,498,832
Property, plant and equipment, net	14	11,345,663,358	10,063,935,892	4,166,855,925	3,122,349,081
Intangible assets, net	15	300,767,159	234,299,386	1,298,788	1,800,496
Deferred tax assets, net	16	242,393,868	202,607,595	207,051,960	177,182,860
Other non-current assets	29	204,750,407	117,835,041	110,375,242	108,377,945
<b>Total non-current assets</b>		<b>13,215,202,023</b>	<b>10,923,296,092</b>	<b>14,393,295,290</b>	<b>10,598,048,344</b>
<b>Total assets</b>		<b>18,793,210,449</b>	<b>18,689,863,566</b>	<b>19,178,004,904</b>	<b>17,828,712,546</b>

The accompanying notes on pages 189 to 241 are an integral part of these consolidated and company financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited

## Statement of Financial Position

As at 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	18	1,922,014,259	2,550,724,470	907,169,675	1,756,519,088
Trade and other payables	17, 29	2,207,992,792	3,032,900,464	1,639,696,520	2,239,058,193
Short-term borrowings from related parties	18, 29	-	682,000,000	699,180,449	1,119,000,000
Current portion of long-term borrowings	18, 29	696,888,320	783,020,978	517,308,846	218,351,011
Income tax payable		761,969	48,943,808	-	41,837,277
Other current liabilities	29	121,232,043	84,083,116	67,320,929	33,189,081
<b>Total current liabilities</b>		<b>4,948,889,383</b>	<b>7,181,672,836</b>	<b>3,830,676,419</b>	<b>5,407,954,650</b>
<b>Non-current liabilities</b>					
Long-term borrowings, net	18, 29	4,282,484,037	1,998,991,582	4,071,111,193	1,147,239,764
Employee benefit obligations	19	260,939,412	299,168,074	154,179,775	172,219,192
Long-term provision for decommissioning costs		10,465,075	10,001,983	-	-
Other non-current liabilities	20, 29	597,977,324	627,615,029	-	-
<b>Total non-current liabilities</b>		<b>5,151,865,848</b>	<b>2,935,776,668</b>	<b>4,225,290,968</b>	<b>1,319,458,956</b>
<b>Total liabilities</b>		<b>10,100,755,231</b>	<b>10,117,449,504</b>	<b>8,055,967,387</b>	<b>6,727,413,606</b>

The accompanying notes on pages 189 to 241 are an integral part of these consolidated and company financial statements.



# Kaset Thai International Sugar Corporation Public Company Limited

## Statement of Financial Position

As at 31 December 2015

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	21				
Authorised share capital					
3,888,000,010 ordinary shares of par					
Baht 1 per share					
(2014: 3,880,000,000					
ordinary shares of par					
Baht 1 per share)		3,888,000,010	3,888,000,000	3,888,000,010	3,888,000,000
Issued and paid-up share capital					
3,860,000,010 ordinary shares					
of paid-up Baht 1 per share					
(2014: 3,860,000,000					
ordinary shares of paid-up					
Baht 1 per share)		3,860,000,010	3,860,000,000	3,860,000,010	3,860,000,000
Premium on share capital	21	5,202,881,296	5,202,881,182	5,202,881,296	5,202,881,182
Capital reserve for share-based payment					
transactions	22	48,196,296	3,707,407	48,196,296	3,707,407
Retained earnings					
Appropriated					
- Legal reserve	23	245,193,041	212,666,636	245,193,041	212,666,636
Unappropriated		2,913,349,599	2,870,323,861	2,338,984,580	2,395,261,421
Discount on business combination					
under common control		(3,577,165,024)	(3,577,165,024)	(573,217,706)	(573,217,706)
Total shareholders' equity		8,692,455,218	8,572,414,062	11,122,037,517	11,101,298,940
Total liabilities and shareholders' equity		18,793,210,449	18,689,863,566	19,178,004,904	17,828,712,546

The accompanying notes on pages 189 to 241 are an integral part of these consolidated and company financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited

## Statement of Comprehensive Income

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenues from sales and services		19,328,216,903	20,120,143,036	12,550,175,033	13,682,707,369
Cost of sales and services		(14,854,151,208)	(14,902,450,423)	(10,539,181,668)	(10,796,707,142)
<b>Gross profit</b>		<b>4,474,065,695</b>	<b>5,217,692,613</b>	<b>2,010,993,365</b>	<b>2,886,000,227</b>
Other income	24	128,320,726	228,629,780	182,426,416	231,129,212
Dividends received from subsidiaries	11	-	-	946,439,354	847,986,160
Realised gains/(losses) on derivatives		(12,631,312)	27,954,772	(12,631,312)	27,954,772
Loss on exchange rate		(172,902,602)	(180,386,193)	(73,963,957)	(77,234,284)
Selling expenses		(1,939,731,838)	(1,929,699,288)	(1,206,971,720)	(1,379,331,392)
Administrative expenses		(1,422,454,939)	(1,489,539,953)	(876,498,139)	(1,003,136,638)
Finance costs		(372,934,426)	(415,305,175)	(354,265,322)	(314,160,292)
<b>Profit before income tax expense</b>		<b>681,731,304</b>	<b>1,459,346,556</b>	<b>615,528,685</b>	<b>1,219,207,765</b>
(Income tax expense) tax income	26	48,217,856	(93,590,822)	34,999,419	(90,117,027)
<b>Net profit for the year</b>		<b>729,949,160</b>	<b>1,365,755,734</b>	<b>650,528,104</b>	<b>1,129,090,738</b>
<b>Other comprehensive income :</b>					
<b>Item that will not be reclassified to profit or loss</b>					
Remeasurement of employee benefit obligations		50,503,504	(21,874,891)	25,651,599	(11,557,928)
Income tax on remeasurement of employee benefit obligations		(10,100,701)	4,374,978	(5,130,319)	2,311,586
Other comprehensive income/(loss) for the year, net of tax	26	40,402,803	(17,499,913)	20,521,280	(9,246,342)
<b>Total comprehensive income for the year</b>		<b>770,351,963</b>	<b>1,348,255,821</b>	<b>671,049,384</b>	<b>1,119,844,396</b>

### Earnings per share

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Basic earnings per share	0.19	0.38	0.17	0.31
Diluted earnings per share	0.19	0.38	0.17	0.31

The accompanying notes on pages 189 to 241 are an integral part of these consolidated and company financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited

## Statement of Changes in Shareholders' Equity

For the year ended 31 December 2015

Consolidated									
Notes	Issued and paid-up share capital	Capital reserve for share-based transactions		Retained earnings		Discount on business combination under common control	Total shareholders' equity		
		Premium on share capital	for share-based transactions	Appropriated Legal reserve	Unappropriated				
	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
Opening balances as at 1 January 2015									
Increase share capital	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		
Share-based payment transactions	10	114	-	-	-	-	124		
Dividends paid	-	-	44,488,889	-	-	-	44,488,889		
Legal reserve	-	-	-	-	(694,799,820)	-	(694,799,820)		
Total comprehensive income for the year	-	-	-	32,526,405	(32,526,405)	-	-		
				-	770,351,963	-	770,351,963		
Closing balances as at 31 December 2015	3,860,000,010	5,202,881,296	48,196,296	245,193,041	2,913,349,599	(3,577,165,024)	8,692,455,218		
Opening balances as at 1 January 2014									
Increase share capital	3,274,573,000	-	-	55,262,665	2,837,464,511	(3,577,165,024)	2,590,135,152		
Share-based payment transactions	585,427,000	5,202,881,182	-	-	-	-	5,788,308,182		
Dividends paid	-	-	3,707,407	-	-	-	3,707,407		
Legal reserve	-	-	-	-	(1,157,992,500)	-	(1,157,992,500)		
Total comprehensive income for the year	-	-	-	157,403,971	(157,403,971)	-	-		
			-	-	1,348,255,821	-	1,348,255,821		
Closing balances 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		



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The accompanying notes on pages 189 to 241 are an integral part of these consolidated and company financial statements.

Kaset Thai International Sugar Corporation Public Company Limited  
Statement of Changes in Shareholders' Equity

For the year ended 31 December 2015

Company							
Notes	Issued and paid-up share capital	Capital reserve for share-based payment transactions		Retained earnings		Discount on business combination under common control	Total shareholders' equity
		Baht	Premium on share capital	Appropriated Legal reserve	Unappropriated		
		Baht	Baht	Baht	Baht	Baht	Baht
Opening balances as at 1 January 2015	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
	Increase share capital	10	114	-	-	-	124
	Share-based payment transactions	-	-	44,488,889	-	-	44,488,889
	Dividends paid	-	-	-	(694,799,820)	-	(694,799,820)
	Legal reserve	-	-	-	32,526,405	(32,526,405)	-
Total comprehensive income for the year	-	-	-	-	671,049,384	-	671,049,384
Closing balances as at 31 December 2015	3,860,000,010	5,202,881,296	48,196,296	245,193,041	2,338,984,580	(573,217,706)	11,122,037,517
Opening balances as at 1 January 2014	3,274,573,000	-	-	55,262,665	2,590,813,496	(573,217,706)	5,347,431,455
	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	-	-	-	-	1,119,844,396	-	1,119,844,396
Closing balances as at 31 December 2014	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

The accompanying notes on pages 189 to 241 are an integral part of these consolidated and company financial statements.

## Kaset Thai International Sugar Corporation Public Company Limited

### Statement of Cash Flows

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax expense		681,731,304	1,459,346,556	615,528,685	1,219,207,765
Adjustments for:					
- Depreciation and amortisation	25	940,614,843	820,368,926	410,639,720	300,428,420
- Gain on realised discount from transfer right of farmer receivables	24	(9,414,708)	(23,869,225)	(9,248,662)	(23,869,225)
- Allowance for doubtful accounts (reversal)	8, 9	3,253,559	62,236,531	(15,006,671)	83,609,479
- Loss from diminution in value of inventories	10	179,858,459	40,310,598	177,189,612	5,526,220
- Loss on impairment of investment properties	13	1,945,554	8,411,554	-	8,411,554
- Loss on impairment of property, plant and equipment	14	72,387,168	-	-	-
- Expense on retirement benefit obligations		24,817,988	24,913,503	10,812,854	13,066,405
- Share-based payment transactions	22	44,488,889	3,707,407	23,267,155	1,938,930
- Finance costs		372,934,426	415,305,175	354,265,322	314,160,292
- Interest income	24	(30,408,080)	(34,493,181)	(122,464,038)	(89,828,300)
- Unrealised loss on exchange rate		27,523,268	7,664,949	378,752	-
- Gain on disposals of property, plant and equipment		(13,511,582)	(5,369,733)	(3,635,856)	(6,571,664)
- Loss on write-off of property, plant and equipment	14	10,822,362	59,791,555	8,536	29,502,662
- Dividend income	11	-	-	(946,439,354)	(847,986,160)
- Deferred revenue from the Office of The Cane and Sugar Fund		(222,380,298)	-	(191,425,665)	-
Cash flows before changes in operating assets and liabilities		2,084,663,152	2,838,324,615	303,870,390	1,007,596,378
Changes in operating assets and liabilities:					
- Trade and other receivables		(321,432,559)	(323,776,500)	(371,314,689)	(139,462,207)
- Farmer receivables		93,518,820	(9,291,467)	115,706,620	(72,414,592)
- Inventories		1,751,208,466	(324,456,623)	1,369,536,250	58,403,155
- Other current assets		49,430,148	(10,954,062)	422,624	54,270,442
- Other receivable-Office of the Cane and Sugar Fund		(558,663,074)	-	(466,333,150)	-
- Other non-current assets		(86,666,061)	6,996,636	(1,997,297)	(862,311)
- Trade and other payables		(794,445,108)	(675,978,987)	(662,652,003)	(765,663,040)
- Other current liabilities		37,148,927	(10,364,050)	34,131,848	(4,975,959)
- Other non-current liabilities		-	(195,600)	-	-
- Employee benefit obligations		(15,067,632)	(8,139,778)	(5,725,159)	(4,322,860)
Cash generated from operating activities		2,239,695,079	1,482,164,184	315,645,434	132,569,006
- Interest paid		(329,496,208)	(415,590,963)	(283,945,978)	(291,581,388)
- Income tax paid		(97,403,672)	(120,737,390)	(88,608,417)	(114,235,428)
Net cash generated from (used in) operating activities		1,812,795,199	945,835,831	(56,908,961)	(273,247,810)

The accompanying notes on pages 189 to 241 are an integral part of these consolidated and company financial statements.

# Kaset Thai International Sugar Corporation Public Company Limited

## Statement of Cash Flows

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015	2014	2015	2014
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Interest received		30,408,490	34,669,623	118,522,113	136,219,600
Restricted bank deposits		10,022,406	(10,022,406)	-	-
Acquisition of subsidiaries	11	-	-	(2,031,999,000)	(939,999,400)
Purchase (disposal) of short-term investments		965,041	(18,737)	-	-
Short-term borrowings to related parties increase (decrease)	29	-	-	798,491,241	(665,500,000)
Purchases of investment properties		(19,145,555)	-	-	-
Purchases of property, plant and equipment		(2,308,066,063)	(2,179,297,583)	(1,400,688,955)	(869,938,949)
Capitalised borrowing costs in property, plant and equipment		(40,807,479)	(23,186,896)	-	-
Proceeds from disposals of property, plant and equipment		17,555,910	12,063,104	3,678,658	6,689,780
Purchases of intangible assets		(77,103,412)	(130,273,842)	(785,075)	(889,072)
Dividends received	11	-	-	946,439,354	847,986,160
Net cash used in investing activities		(2,386,170,662)	(2,296,066,737)	(1,566,341,664)	(1,485,431,881)
<b>Cash flows from financing activities</b>					
Proceeds from/ (repayments on) short-term borrowings					
from financial institutions		(723,626,005)	1,048,382,104	(916,218,389)	1,080,621,865
Repayments on short-term borrowings from related parties	18	(682,000,000)	(286,325,000)	(419,819,551)	(474,325,000)
Proceeds from long-term borrowings from financial institutions	18	4,189,839,591	435,996,987	3,990,000,000	-
Proceeds from long-term borrowings from other	18	58,400,000	-	-	-
Proceeds from issue of ordinary shares	21	124	3,706,038,182	124	3,706,038,182
Payments on finance lease liabilities	18	(5,717,307)	(5,150,727)	(5,717,307)	(5,150,727)
Payments on long-term borrowings from financial institutions	18	(1,993,943,530)	(1,923,896,600)	(752,520,000)	(1,085,396,600)
Payments on long-term borrowings from related parties	18	(4,850,000)	(4,850,000)	-	-
Payments on long-term borrowings from other	18	(51,268,669)	(50,209,594)	(10,898,428)	(10,670,377)
Dividends paid	28	(694,799,820)	(1,157,992,500)	(694,799,820)	(1,157,992,500)
Net cash generated from financing activities		92,034,384	1,761,992,852	1,190,026,629	2,053,124,843
<b>Net increase (decrease) in cash and cash equivalents</b>		(481,341,079)	411,761,946	(433,223,996)	294,445,152
Cash and cash equivalents at the beginning of the year		828,067,998	416,306,052	565,670,046	271,224,894
Cash and cash equivalents at the end of the year		346,726,919	828,067,998	132,446,050	565,670,046

### Non-cash transactions

As at 31 December 2015, the Group and the Company have outstanding balances for purchases of property, plant and equipment amounting to Baht 98.54 million and Baht 66.69 million, respectively (2014: Baht 146.70 million in the consolidated financial statements and Baht 17.90 million in the company financial statements).

As at 31 December 2015, the Company issued and offered grants of warrants to the executives and employees (ESOP) of the Company and its subsidiaries. Therefore, there were share-based payment transactions presented in the consolidated and company financial statements for the year ended 31 December 2015 amounting to Baht 44.49 million and Baht 23.27 million, respectively (2014: Baht 3.71 million in the consolidated financial statements and Baht 1.94 million in the company financial statements).

The accompanying notes on pages 189 to 241 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 2015

#### 1. General information

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

Head office and factory: 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.

The Company is listed on the Stock Exchange of Thailand. 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) Selling of electricity generating and power
- 5) Other businesses such as trading, rental and property development, manufacturing and distribution of fertilizer, asset management, research and development, etc.

These consolidated and company financial statements were authorised for issue by the Board of Directors on 22 February 2016.

#### 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.

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 financial statements are disclosed in Note 4.

An English version of the consolidated and company financial statements has 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

- a) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015 are as follows:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 16 (revised 2014)	Property, plant and equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee benefits
TAS 20 (revised 2014)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 34 (revised 2014)	Interim financial reporting
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
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



- a) New financial reporting standards and revised financial reporting standards which are effective on 1 January 2015 are as follows: (Cont'd)

TFRIC 7 (revised 2014)	Applying the restatement approach under TAS29 (revised 2014) Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 14	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers
TFRIC 20	Stripping costs in the production phase of a surface mine

The Group has applied the aforementioned financial reporting standards from 1 January 2015. However, the application of those financial reporting standards has no significant impacts to the financial statements being presented, except the following accounting standards:

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 but the Group must refer to the relevant financial reporting standards. The Group has reclassified the items in OCI as required by this standard.

TFRS 13 aims to improve consistency and to 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, except for disclosure.

- b) Revised financial reporting standards which are effective on 1 January 2016 and the Group are not early adopted are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 16 (revised 2015)	Property, plant and equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee benefits
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 24 (revised 2015)	Related party disclosures
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2015)	Separate financial statements
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting

- b) Revised financial reporting standards which are effective on 1 January 2016 and the Group are not early adopted are as follows: (Cont'd)

TAS 36 (revised 2015)	Impairment of assets
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 11 (revised 2015)	Joint arrangements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 (revised 2015) Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine
TFRIC 21	Levies

The Group will apply the aforementioned financial reporting standards from 1 January 2016. The Group's management assessed and determined that the application of those financial reporting standards has no significant impact to the financial statements being presented.

## 2.3 Group accounting - Investments in subsidiaries

### (1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the 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 applies 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 to the former owners of acquired 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.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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 identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured 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. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separate financial statements, 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.

A list of the Group's principal subsidiaries and the effect from the acquisition and disposal of subsidiaries have been disclosed in Note 11.

### (2) Transaction and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### **(3) Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

## **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 Thai Baht, which is the Company's functional and the Company'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.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss

## **2.5 Cash and cash equivalents**

In the consolidated and company statements of cash flows, cash and cash equivalents includes 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. In the consolidated and company statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

## **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 receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

Farmer receivables are stated at the net realisable value. Allowance for doubtful accounts is assessed primarily on analysis of payment histories, collaterals, 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 Other investments

The Group classifies investments other than investments in subsidiaries and associates as general investments which are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost. General investments are carried at cost less impairment loss.

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 higher than its recoverable amount, an impairment loss is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statement of comprehensive income. When disposing part of the Group's holding of a particular investment in debt equity securities, the carrying amount of the disposed part is determined from the weighted average carrying amount of the total holding of the investment.

## 2.9 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 of the Group is land and buildings held for long-term rental yields or for capital appreciation, including certain land which is currently undetermined for future use.

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.

## 2.9 Investment property (Cont'd)

Land is not depreciated. Depreciation on other investment properties which are buildings is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives of 10 years.

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.

## 2.10 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation and impairment. 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 statement of comprehensive income 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:

	<u>Year</u>
Land improvement	5 - 10 years
Buildings and building improvement	5 - 20 years
Machinery and equipment	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 estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

## **2.11 Intangible assets**

### **2.11.1 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 over their useful lives of 3-5 years.

### **2.11.2 Trademark**

Expenditure on acquired trademark is capitalised and amortised using the straight-line method over their useful lives of 5 years. Intangible assets are not revalued.

### **2.11.3 Right to use of asset**

Expenditure on right to use of asset which is transmission line is capitalized and amortised using the straight-line method over their useful lives of 20 years.

## **2.12 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.

## **2.13 Leases - where a Group is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially 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 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 or the lease term.



### **2.13 Leases - where a Group company is the lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessor) is recognised on a straight-line basis over the lease term.

### **2.14 Troubled debt restructuring (where the Group is the debtor)**

Where the debt restructuring involves modification of terms of payables, the Group accounts for the effects of the restructuring prospectively from the time of restructuring and does not change the carrying amount of the payable at the time of the restructuring unless the carrying amount exceeds the total undiscounted future cash payment specified by the new terms. If it does exceed the total undiscounted future cash payment, the carrying amount of the payable is reduced to the amount equal to the total undiscounted future cash payments specified by the new terms and a gain on restructuring is recognised in the profit or loss insofar as the amount is determinable.

### **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.

#### **2.15.1 Borrowings costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.



## **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 and its subsidiaries 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, 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**

Group companies operate various retirement benefits schemes. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act, B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

## **2.17 Employee benefits (Cont'd)**

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually 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 market yield of government bonds that have terms to maturity approximating to the terms of the related pension liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, and others.

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

Past-service costs are recognised immediately in profit or loss.

## **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 performance and service 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 Group 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 entire 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**

### ***Sale of goods and services rendered***

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Service income is recognised as services are provided.

### ***Interest and dividend income***

Interest income is recognised using the effective interest method. Dividends are recognised when the right to receive payment is established.

### ***Other income***

Other income is recognised in the statement of comprehensive income on an accrual basis.

### **2.23 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

### **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 Chief Executive Officer that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (See more information in Note 6).

### **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 comprehensive 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, exchange rate risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments which are forward foreign exchange contracts and interest rate swap contracts to protect certain exposures.

#### **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. The Group has entered into foreign currency forward contracts to mitigate risk from exchange rate fluctuation.

### **3.1 Financial risk factors (Cont'd)**

#### **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. The Group uses interest rate swaps to convert borrowings from floating rates to fixed rates. Under the interest rate swaps, The Group agrees with the other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

#### **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. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

#### **3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to manage risk. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

### **3.2 Pricing risk factors regarding raw materials and products**

#### **3.2.1 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 Financial risk management (Cont'd)**

#### **3.3 Accounting for derivative financial instruments**

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 30.

## **4. Critical accounting estimates and judgements**

Estimates 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.

#### **4.1 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, collaterals 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 collaterals).

#### **4.2 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.

#### **4.3 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 including discount rate, salary increasing rate, dead rate, and turnover 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 disclosed in Note 19.

#### **4.4 Raw material costs**

The Group purchased sugar cane for the production season 2015/2016 using the initial sugar cane price which was announced by the Cane and Sugar Board's on 12 January 2016 adjusted by sweetness of sugar cane purchased to recognise raw materials and payables for the production season 2015/2016. As at the audit report date, the Cane and Sugar Board has not announced the final price of sugar cane for the production season 2015/2016 yet since the production season is not ended.

## 5. Capital risk management

The Group's objectives of capital management are to safeguard the Group's 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.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

## 6. 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
- Manufacturing and distribution of electricity and power
- Other businesses such as trading, rental and property development, manufacturing and distribution of fertilizer, asset management, research and development, etc.

Chief Operating Decision Maker considers performance of reporting segments from profit or loss.

The accounting policies for the operating segments are in accordance with the summaries of accounting policies above. Unallocated costs mainly represent corporate expenses.

### **Geographic information**

The Group's revenue from sales external customers approximately 50% is mostly the export sales. Revenue attributed to foreign countries are mainly from countries in Asia Pacific. In addition, most non-current assets of the Group are located in Thailand.

### **Major customers**

The Group has no revenue from sales transactions with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about major customers.

Operating segments of the Group are as follows:

For the years ended 31 December 2015 and 2014

[illegible]



As at 31 December 2015 and 2014



**KTIS**  
More Than Sugar

## 7. Cash and cash equivalents

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash on hand	2,817,235	2,685,641	1,019,500	950,000
Bank deposits held at call	343,909,684	825,382,357	131,426,550	564,720,046
	<u>346,726,919</u>	<u>828,067,998</u>	<u>132,446,050</u>	<u>565,670,046</u>

As at 31 December 2015, the weighted average effective interest rate of deposits held at call with banks was 0.50% per annum (2014: 0.50% per annum).

## 8. Trade and other receivables, net

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<u>Trade receivables - related parties</u>				
Current	-	-	44,641,366	-
Overdue:				
Up to 3 months	955	248,960	12,117,479	37,240,641
Total trade receivables - related parties	<u>955</u>	<u>248,960</u>	<u>56,758,845</u>	<u>37,240,641</u>
<u>Trade receivables - third parties</u>				
Current	742,970,368	564,132,764	357,949,488	166,399,824
Overdue:				
Up to 3 months	252,503,797	285,797,907	186,427,432	164,434,104
Up to 3 months less than 6 months	26,634	26,000	12,134	-
Over 12 months	1,202,180	412,620	-	331,440
	<u>996,702,979</u>	<u>850,369,291</u>	<u>544,389,054</u>	<u>331,165,368</u>
<u>Less</u> Allowance for doubtful accounts	-	(331,440)	-	(331,440)
Total trade receivables - third parties, net	<u>996,702,979</u>	<u>850,037,851</u>	<u>544,389,054</u>	<u>330,833,928</u>
Total trade receivables, net	<u>996,703,934</u>	<u>850,286,811</u>	<u>601,147,899</u>	<u>368,074,569</u>
<u>Other receivables</u>				
Advance payments	43,999,794	41,830,975	31,989,354	30,505,726
Deferred expenses	578,782,402	386,254,830	422,558,028	274,467,045
Prepaid expenses - related parties	3,412,610	3,412,226	3,312,500	3,312,500
Prepaid expenses	58,573,358	18,355,607	45,212,108	4,439,512
Accrued income - related parties	-	-	8,299,430	686,774
Accrued income	62,058,597	1,046,146	738,028	1,031,343
Other receivables - related parties	11,782	61,071,620	20,832,988	66,415,793
Other receivables	27,358,106	84,011,504	4,460,369	11,696,720
Total other receivables	<u>774,196,649</u>	<u>595,982,908</u>	<u>537,402,805</u>	<u>392,555,413</u>
Total trade and other receivables, net	<u>1,770,900,583</u>	<u>1,446,269,719</u>	<u>1,138,550,704</u>	<u>760,629,982</u>

## 9. Farmer receivables, net

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Season 2016/2017	130,364,687	-	84,750,820	-
Season 2015/2016	116,368,272	206,107,908	42,849,015	115,573,369
Season 2014/2015	54,346,558	163,610,399	52,237,423	127,083,131
Season 2013/2014	203,729	2,169,821	203,729	978,293
Season 2012/2013	6,406,246	9,147,803	5,946,739	8,718,897
Season 2011/2012	184,736,337	189,141,967	176,446,782	188,964,708
Season 2009/2010	307,211	717,656	-	-
Season 2008/2009	111,300,617	117,450,493	68,963,134	117,450,493
Before season 2008/2009	428,279,904	437,479,374	185,026,423	244,057,113
	1,032,313,561	1,125,825,421	616,424,065	802,826,004
<u>Less</u> Discount from transfer right of farmer receivables	(312,232,493)	(321,640,241)	(241,696,260)	(321,640,241)
Allowance for doubtful accounts	(288,616,037)	(285,031,038)	(123,402,808)	(138,078,039)
	431,465,031	519,154,142	251,324,997	343,107,724

## 10. Inventories, net

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Finished goods	2,650,728,922	4,422,660,578	1,775,687,281	3,143,306,127
Merchandise inventories	39,753,416	48,692,184	17,319,231	29,362,667
Work in process	30,875,028	75,863,354	11,959,481	62,481,902
Raw materials	14,977,117	3,464,603	-	-
Factory supplies	398,466,041	335,328,271	150,074,320	89,425,867
	3,134,800,524	4,886,008,990	1,955,040,313	3,324,576,563
<u>Less</u> Allowance for diminution in value of inventories	(220,169,057)	(40,310,598)	(182,715,832)	(5,526,220)
	2,914,631,467	4,845,698,392	1,772,324,481	3,319,050,343

During the year 2015, the cost of inventories for the consolidated financial statements recognised as costs of sales and services amounting to Baht 14,542.43 million (2014: Baht 14,590.32 million) and for the company financial statements amounting to Baht 10,387.13 million (2014: Baht 10,641.89 million).

## 11. Investments in subsidiaries

Movements of investments in subsidiaries for the years ended 31 December 2015 and 2014 are as follows:

	Company	
	2015 Baht	2014 Baht
Opening net book amount	7,171,709,045	6,229,941,167
Additions	2,031,999,000	939,999,400
Share-based payment transactions	21,221,734	1,768,478
Closing net book amount	9,224,929,779	7,171,709,045

Details of investments in subsidiaries as presented in the company financial statements as at 31 December 2015 and 2014 are as follows:

Company's name	Paid-up capital		% Shareholding		Cost method		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Thai Identity Sugar Factory Co., Ltd.	1,215	1,215	100	100	1,228	1,216	-	-
Permsin Pattana Co., Ltd. and subsidiaries.	317	5	100	100	1,011	699	-	336
- Lopburi International Sugar Co., Ltd.	2	2	100	100	-	-	-	-
- Lopburi Bio Power Co., Ltd.	2	2	100	100	-	-	-	-
- Lopburi Bio Ethanol Co., Ltd.	1	1	100	100	-	-	-	-
Environment Pulp & Paper Co., Ltd.*	312	312	26	26	-	-	-	-
Kaset Thai Bio Power Co., Ltd.	1,260	500	100	100	2,459	1,698	245	-
Environment Pulp & Paper Co., Ltd.*	2,400	1,200	74	74	2,649	1,755	-	-
Ekarat Pattana Co., Ltd. and a subsidiary.	256	256	100	100	863	861	701	512
- Kaset Thai Bio Fertilizer Co., Ltd.	35	35	100	100	-	-	-	-
Sapsirikaset Co., Ltd.	311	241	100	100	311	241	-	-
Thaiekaluck Power Co., Ltd.	350	350	100	100	350	350	-	-
Ruamphol Bio Power Co., Ltd.	350	350	100	100	350	350	-	-
KTIS Biogas Power Co., Ltd.	1	1	100	100	1	1	-	-
KTIS Bio Energy Co., Ltd.	1	1	100	100	1	1	-	-
Kaset Thai Wiwat Co.,Ltd.	1	-	100	-	1	-	-	-
KTIS Reserch and Development Co.,Ltd.	1	-	100	-	1	-	-	-
Total investments in subsidiaries					9,225	7,172	946	848

\* Environment Pulp & Paper Co., Ltd. is held by the Company at 74% and by a subsidiary at 26%. As a result, the Group has direct and indirect shareholding in this subsidiary at 100%.

During the year, the Company recognizes share-based payment transactions when services from its subsidiaries' employees are rendered. The Company recorded investments in subsidiaries amounting to Baht 21.22 million.

Changes in investments in subsidiaries for the year ended 31 December 2015 are as follows:

**Kaset Thai Wiwat Co., Ltd.**

On 30 April 2015, the Company acquired ordinary shares of Kaset Thai Wiwat Co., Ltd., a newly established company, of 9,997 shares at a par value of Baht 100 each, totalling Baht 999,700.

**KTIS Research and Development Co., Ltd.**

On 28 August 2015, the Company acquired ordinary shares of KTIS Research and Development Co., Ltd., a newly established company, of 9,993 shares at a par value of Baht 100 each, totalling Baht 999,300.

**Permsin Pattana Co., Ltd.**

On 14 September 2015, Permsin Pattana Co., Ltd., a subsidiary, registered the increase in the share capital from Baht 5 million (50,000 ordinary shares at a par value of Baht 100 each) to Baht 317 million (3,170,000 ordinary shares at a par value of Baht 100 each). The Company paid for the increased shares at the same proportion of the original investment, totalling Baht 312 million.

**Sapsirikaset Co., Ltd.**

On 14 September 2015, Sapsirikaset Co., Ltd., a subsidiary, registered the increase in the share capital from Baht 241 million (2,410,000 ordinary shares at a par value of Baht 100 each) to Baht 311 million (3,110,000 ordinary shares at a par value of Baht 100 each). The Company paid for the increased shares at the same proportion of the original investment, totalling Baht 70 million.

**Environment Pulp & Paper Co., Ltd.**

On 16 September 2015, Environment Pulp & Paper Co., Ltd., a subsidiary, registered the increase in the share capital from Baht 1,200 million (12,000,000 ordinary shares at a par value of Baht 100 each) to Baht 2,400 million (24,000,000 ordinary shares at a par value of Baht 100 each). The Group and the Company paid for the increased shares at the same proportion of the original investment, totalling Baht 1,200 million.

**Kaset Thai Bio Power Co., Ltd.**

On 9 October 2015, Kaset Thai Bio Power Co., Ltd., a subsidiary, registered the increase in the share capital from Baht 500 million (5,000,000 ordinary shares at a par value of Baht 100 each) to Baht 1,260 million (12,600,000 ordinary shares at a par value of Baht 100 each). The Company paid for the increased shares at the same proportion of the original investment, totalling Baht 760 million.

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

	Percentage of Shareholding		Country of Incorporation	Nature of Business
	2015 %	2014 %		
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
Sapsirikaset Co., Ltd.	100	100	Thailand	Trading, rental and property development
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	100	Thailand	Production and distribution of electricity
KTIS Bio Energy Co., Ltd.	100	100	Thailand	Production and distribution of Bio-Ethanol and electricity
Kaset Thai Wiwat Co., Ltd.	100	-	Thailand	Asset management
KTIS Research and Development Co., Ltd.	100	-	Thailand	Research and development
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 through Ekarat Pattana Co., Ltd.				
Kaset Thai Bio Fertilizer Co., Ltd.	100	100	Thailand	Manufacturing and distribution of bio-fertilizer

All subsidiaries under takings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

## 12. Other receivable - Office of the Cane and Sugar Fund

Other receivable - Office of the Cane and Sugar Fund is a compensation, which the Group expects to be received from the Office of the Cane and Sugar Fund. Since the Group management expects that the final cane price and the final return on production and distribution of the production season 2014/2015 will be lower than the initial price, the difference will be paid in accordance with Section 56 of the Cane and Sugar Act B.E. 2527. Vice versa, no repayment is required by the farmer.

## 13. Investment properties, net

Movement of investment properties are as follows:

	Consolidated		
	Land Baht	Buildings Baht	Total Baht
<b>As at 1 January 2014</b>			
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
<b>For the year ended 31 December 2014</b>			
Opening net book amount	268,446,085	1,440,289	269,886,374
Additions	42,906,032	-	42,906,032
Depreciation	-	(156,974)	(156,974)
Impairment charges	(8,411,554)	-	(8,411,554)
Closing net book amount	302,940,563	1,283,315	304,223,878
<b>As at 31 December 2014</b>			
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
<b>For the year ended 31 December 2015</b>			
Opening net book amount	302,940,563	1,283,315	304,223,878
Additions	19,145,554	-	19,145,554
Reclassification	1,911,457	-	1,911,457
Depreciation	-	(156,974)	(156,974)
Impairment charges	(1,945,554)	-	(1,945,554)
Closing net book amount	322,052,020	1,126,341	323,178,361
<b>As at 31 December 2015</b>			
Cost	338,918,911	1,569,739	340,488,650
<u>Less</u> Accumulated depreciation	-	(443,398)	(443,398)
<u>Less</u> Provision for impairment	(16,866,891)	-	(16,866,891)
Net book amount	322,052,020	1,126,341	323,178,361

	<b>Company</b>
	<b>Land Baht</b>
<b>As at 1 January 2014</b>	
Cost	-
<u>Less</u> Provision for impairment	-
Net book amount	-
<b>For the year ended 31 December 2014</b>	
Opening net book amount	-
Additions	24,910,386
Impairment charges	(8,411,554)
Closing net book amount	16,498,832
<b>As at 31 December 2014</b>	
Cost	24,910,386
<u>Less</u> Provision for impairment	(8,411,554)
Net book amount	16,498,832
<b>For the year ended 31 December 2015</b>	
Opening net book amount	16,498,832
Additions	-
Impairment charges	-
Closing net book amount	16,498,832
<b>As at 31 December 2015</b>	
Cost	24,910,386
<u>Less</u> Provision for impairment	(8,411,554)
Net book amount	16,498,832

The fair values of investment properties as of 31 December 2015 and 2014 are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Land	400,172,214	381,981,432	23,400,000	23,400,000
Buildings	3,468,564	3,468,564	-	-
	403,640,778	385,449,996	23,400,000	23,400,000

The fair values of investment properties are 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 net replacement cost method and comparative method. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. Fair value includes in level 2.

As at 31 December 2015 and 2014, the Group has no income from investment properties.



14. Property, plant and equipment, net

	Consolidated						Total Baht
	Land and land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Agricultural equipment and tooling Baht	Furniture, fixtures and equipment Baht	Motor vehicles Baht	Assets under installation and construction Baht
<b>As at 1 January 2014</b>							
Cost	232,807,938	1,704,903,058	8,117,411,697	378,730,652	135,456,598	889,815,161	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	8,800,038,996
<b>For the year ended 31 December 2014</b>							
Opening net book amount	194,368,536	1,296,875,074	4,819,830,247	106,143,603	51,383,994	473,350,741	8,800,038,996
Additions	11,770	11,957,588	121,499,936	37,100,327	12,317,783	42,157,753	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)	-
Write-off, net	-	-	(8,678,941)	(334,493)	(21,011)	(7)	(112,648,564)
Reclassification	-	(102,673,157)	-	-	-	-	(1,000,000)
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	10,063,935,892
<b>As at 31 December 2014</b>							
Cost	296,516,131	1,730,746,109	9,072,972,174	398,086,283	170,958,475	912,818,289	15,321,417,674
Less Accumulated depreciation	(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	10,063,935,892

Consolidated									
	Land and land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Agricultural equipment and tooling Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installation and construction Baht	Total Baht	
For the year ended 31 December 2015	Opening 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
	Additions	25,562,483	40,098,347	373,033,323	76,080,750	18,011,666	149,988,298	1,617,940,143	2,300,715,010
	Transfer in (out)	7,563,445	53,565,653	516,666,718	4,339,815	25,525	-	(582,161,156)	-
	Disposals, net	-	(819,964)	-	(432,271)	(71,453)	(2,720,640)	-	(4,044,328)
	Write-off, net	-	-	(1)	(242,812)	(327,056)	(1)	(10,252,492)	(10,822,362)
	Reclassification	(44,420,236)	3,479,827	60,797,435	(1)	(18,633,731)	-	-	1,223,294
	Depreciation charges	(12,805,941)	(86,255,425)	(692,793,292)	(48,745,169)	(18,618,269)	(73,738,884)	-	(932,956,980)
Impairment charges	-	-	-	-	-	-	(72,387,168)	(72,387,168)	
Closing net book amount	217,931,030	1,260,087,094	5,460,724,589	157,509,856	44,263,159	512,688,090	3,692,459,540	11,345,663,358	
As at 31 December 2015	Cost	280,444,659	1,825,039,661	10,029,324,704	430,841,980	147,288,852	1,027,537,140	3,764,846,708	17,505,323,704
	Less Accumulated depreciation	(62,513,629)	(564,952,567)	(4,568,600,115)	(273,332,124)	(103,025,693)	(514,849,050)	-	(6,087,273,178)
	Allowance for impairment	-	-	-	-	-	-	(72,387,168)	(72,387,168)
Net book amount	217,931,030	1,260,087,094	5,460,724,589	157,509,856	44,263,159	512,688,090	3,692,459,540	11,345,663,358	

During 2015, assets under construction in the consolidated financial statements have an impairment amounting to Baht 72.39 million. The management hired an independent valuer to measure the assets by using net replacement cost method. Since the assets are not able to operate according to the business plan, therefore net realisable value has been decreased from net book value.

Company								
	Land and land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Agricultural equipment and tooling Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installation and construction Baht	Total Baht
As at 1 January 2014								
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
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

	Company							
	Land and land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Agricultural equipment and tooling Baht	Furniture, fixtures and office equipment Baht	Motor vehicles Baht	Assets under installation and construction Baht	Total Baht
<b>For the year ended 31 December 2015</b>								
Opening 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
Additions	25,562,425	53,942,735	360,340,764	53,587,073	8,472,911	104,501,115	847,504,096	1,453,911,119
Transfer in (out)	6,334,923	46,238,551	443,238,330	743,104	-	-	(496,554,908)	-
Disposals, net	-	-	-	(1,736)	(25,790)	(15,276)	-	(42,802)
Write-off, net	-	-	-	(3,837)	(4,698)	(1)	-	(8,536)
Reclassification	-	6,863,773	(6,863,773)	-	-	-	-	-
Depreciation charges	(2,959,628)	(36,526,488)	(299,551,757)	(27,311,312)	(8,983,079)	(34,020,673)	-	(409,352,937)
Closing net book amount	69,465,256	443,778,693	2,285,804,705	97,652,883	22,887,157	269,190,177	978,077,054	4,166,855,925
<b>As at 31 December 2015</b>								
Cost	76,454,729	574,161,088	3,204,142,966	233,849,682	53,796,427	410,295,943	978,077,054	5,530,777,889
Less Accumulated depreciation	(6,989,473)	(130,382,395)	(918,338,261)	(136,196,799)	(30,909,270)	(141,105,766)	-	(1,363,921,964)
Net book amount	69,465,256	443,778,693	2,285,804,705	97,652,883	22,887,157	269,190,177	978,077,054	4,166,855,925

### Consolidated financial statements

As at 31 December 2015, the Group has construction in progress amounting to Baht 529.42 million (2014: Baht 521.27 million) which is in process of approval license from the Ministry of Industry.

The Group's depreciation expense of Baht 827.71 million (2014: Baht 740.10 million) has been charged in "costs of sales and services" and of Baht 105.25 million (2014: Baht 71.77 million) in "administrative expenses".

As at 31 December 2015, the Group has plant and equipment which are fully depreciated but still in use with cost amounting to Baht 2,062.35 million (2014: Baht 2,033.32 million).

As at 31 December 2015, the borrowings from a financial institution are secured by property, plant and equipment at the net book value of Baht 279.99 million (2014: Baht 3,167.86 million) (Note 18).

Borrowing costs of Baht 40.81 million (2014: Baht 23.19 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 1.77% - 4.75% (2014: 1.82% - 5.50%).

### Company financial statements

The Company's depreciation expense of Baht 334.68 million (2014: Baht 253.42 million) has been charged in "costs of sales and services" and of Baht 74.67 million (2014: Baht 45.46 million) in "administrative expenses".

As at 31 December 2015, the Company has plant and equipment which are fully depreciated but still in use with cost amounting to Baht 147.51 million (2014: Baht 116.36 million).

As at 31 December 2015, the borrowings from a financial institution are secured by property, plant and equipment at the net book value of Baht 279.99 million (2014: Baht 485.22 million) (Note 18).

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

	Consolidated and Company	
	2015 Baht	2014 Baht
Cost of capitalised finance leases	206,993,372	206,993,372
<u>Less</u> Accumulated depreciation	(69,226,332)	(48,750,148)
Net book amount	<u>137,767,040</u>	<u>158,243,224</u>

## 15. Intangible assets, net

	Consolidated				
	Computer software Baht	Trademark Baht	Right to use assets Baht	Assets under construction Baht	Total Baht
<b>As at 1 January 2014</b>					
Cost	11,402,361	2,044,400	5,376,203	-	18,822,964
Less Accumulated amortisation	(5,947,446)	(391,426)	(807,075)	-	(7,145,947)
Net book amount	5,454,915	1,652,974	4,569,128	-	11,677,017
<b>For the year ended 31 December 2014</b>					
Opening net book amount	5,454,915	1,652,974	4,569,128	-	11,677,017
Additions	1,249,842	-	-	129,024,000	130,273,842
Reclassification	-	-	100,691,012	-	100,691,012
Amortisation charges	(2,364,366)	(204,440)	(5,773,679)	-	(8,342,485)
Closing net book amount	4,340,391	1,448,534	99,486,461	129,024,000	234,299,386
<b>As at 31 December 2014</b>					
Cost	12,652,203	2,044,400	106,067,215	129,024,000	249,787,818
Less Accumulated amortisation	(8,311,812)	(595,866)	(6,580,754)	-	(15,488,432)
Net book amount	4,340,391	1,448,534	99,486,461	129,024,000	234,299,386
<b>For the year ended 31 December 2015</b>					
Opening net book amount	4,340,391	1,448,534	99,486,461	129,024,000	234,299,386
Additions	1,038,886	-	-	76,064,526	77,103,412
Reclassification	-	-	(1,790,782)	(1,343,968)	(3,134,750)
Amortisation charges	(1,907,317)	(204,440)	(5,389,132)	-	(7,500,889)
Closing net book amount	3,471,960	1,244,094	92,306,547	203,744,558	300,767,159
<b>As at 31 December 2015</b>					
Cost	13,186,371	2,044,400	104,331,555	203,744,558	323,306,884
Less Accumulated amortisation	(9,714,411)	(800,306)	(12,025,008)	-	(22,539,725)
Net book amount	3,471,960	1,244,094	92,306,547	203,744,558	300,767,159

	<b>Company Computer software Baht</b>
<b>As at 1 January 2014</b>	
Cost	5,846,560
<u>Less</u> Accumulated amortisation	(3,391,149)
Net book amount	<u>2,455,411</u>
<b>For the year ended 31 December 2014</b>	
Opening net book amount	2,455,411
Additions	889,072
Amortisation charges	(1,543,987)
Closing net book amount	<u>1,800,496</u>
<b>As at 31 December 2014</b>	
Cost	6,735,632
<u>Less</u> Accumulated amortisation	(4,935,136)
Net book amount	<u>1,800,496</u>
<b>For the year ended 31 December 2015</b>	
Opening net book amount	1,800,496
Additions	785,075
Amortisation charges	(1,286,783)
Closing net book amount	<u>1,298,788</u>
<b>As at 31 December 2015</b>	
Cost	7,520,707
<u>Less</u> Accumulated amortisation	(6,221,919)
Net book amount	<u>1,298,788</u>

## 16. Deferred income taxes

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

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	3,299,112	4,400,647	918,229	1,237,677
Deferred tax asset to be recovered after more than 12 months	266,785,093	216,465,150	222,429,208	185,632,870
	<u>270,084,205</u>	<u>220,865,797</u>	<u>223,347,437</u>	<u>186,870,547</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liability to be settled after more than 12 months	(27,690,337)	(18,258,202)	(16,295,477)	(9,687,687)
	<u>(27,690,337)</u>	<u>(18,258,202)</u>	<u>(16,295,477)</u>	<u>(9,687,687)</u>
<b>Deferred tax assets (net)</b>	<u>242,393,868</u>	<u>202,607,595</u>	<u>207,051,960</u>	<u>177,182,860</u>

The movement and the deferred income tax account is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
At 1 January	202,607,595	192,491,230	177,182,860	173,184,556
Charged to profit or loss (Note 26)	49,886,974	5,741,387	34,999,419	1,686,718
Tax charged/(credit) relation to Components of the other comprehensive income	(10,100,701)	4,374,978	(5,130,319)	2,311,586
At 31 December	<u>242,393,868</u>	<u>202,607,595</u>	<u>207,051,960</u>	<u>177,182,860</u>



The movement in deferred tax assets and liabilities during the year is as follows:

	Consolidated				
	1 January 2014 Baht	Charged/ (credit) to profit or loss Baht	Tax charged to other Comprehensive income Baht	31 December 2014 Baht	Charged/ (credit) to profit or loss Baht
					Tax credit to other comprehensive income Baht
					31 December 2015 Baht
<b>Deferred tax assets</b>					
Allowance for diminution in value of inventories	-	5,253,160	-	5,253,160	34,895,842
Impairment loss of investment properties	1,301,957	1,682,310	-	2,984,267	389,111
Impairment loss of property plant, and equipment	-	-	-	-	14,477,433
Finance lease	147,644,855	3,022,599	-	150,667,454	2,904,608
Depreciation	-	126,904	-	126,904	524,299
Deferred revenue	-	-	-	-	3,580,230
Employee benefit obligations	52,103,892	3,354,745	4,374,978	59,833,615	2,454,968
Provision for decommissioning costs	1,911,876	88,521	-	2,000,397	92,618
	202,962,580	13,528,239	4,374,978	220,865,797	59,319,109
					(10,100,701)
<b>Deferred tax liabilities</b>					
Discount rate/front & fee	-	-	-	-	(1,763,945)
Depreciation	(10,471,350)	(7,786,852)	-	(18,258,202)	(7,668,190)
	(10,471,350)	(7,786,852)	-	(18,258,202)	(9,432,135)
	192,491,230	5,741,387	4,374,978	202,607,595	49,886,974
<b>Deferred tax assets, net</b>					(10,100,701)
					242,393,868

	Company					
	1 January 2014 Baht	Charged/ (credit) to profit or loss Baht	Tax charged to other Comprehensive income Baht	31 December 2014 Baht	Charged/ (credit) to profit or loss Baht	Tax credit to other comprehensive income Baht
<b>Deferred tax assets</b>						
Impairment loss of investment property	-	1,682,310	-	1,682,310	-	-
Allowance for diminution in value of inventories	-	-	-	-	35,128,306	-
Finance lease	147,644,855	3,022,599	-	150,667,454	2,904,608	-
Depreciation	-	76,945	-	76,945	372,686	-
Deferred revenue	-	-	-	-	1,679,172	-
Employee benefit obligations	30,383,544	1,748,708	2,311,586	34,443,838	1,522,436	(5,130,319)
	178,028,399	6,530,562	2,311,586	186,870,547	41,607,208	(5,130,319)
<b>Deferred tax liabilities</b>						
Discount rate / front end fee	-	-	-	-	(1,763,945)	-
Depreciation	(4,843,843)	(4,843,844)	-	(9,687,687)	(4,843,844)	-
	(4,843,843)	(4,843,844)	-	(9,687,687)	(6,607,789)	-
<b>Deferred tax assets, net</b>	173,184,556	1,686,718	2,311,586	177,182,860	34,999,419	(5,130,319)
						207,051,960

As at 31 December 2015, the Group had tax losses carried forward for which have not yet been recognised as deferred tax assets totaling Baht 516.00 million, which will gradually expire in 2020. The Group has assessed that the future taxable profits may not be sufficient to utilize such losses.

## 17. Trade and other payables

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade payables - related parties	21,478,080	27,140,677	41,754,325	30,113,494
Trade payables	1,527,799,136	2,039,657,728	1,225,444,219	1,663,679,611
Deferred revenue from the Office of the Cane and Sugar Fund	17,011,198	-	8,395,864	-
Advance received from customers	86,661,688	269,458,526	41,871,837	182,548,203
Accrued expense for the Cane and Sugar Fund office	203,762,156	279,422,839	156,459,371	185,706,545
Accrued expenses - related parties	84,453,393	97,724,319	43,740,630	50,742,310
Accrued expenses	197,507,317	191,172,211	110,520,955	113,695,178
Other payables - related parties	5,066,149	433,528	10,646,658	11,734,851
Other payables	64,253,675	127,890,636	862,661	838,001
	<u>2,207,992,792</u>	<u>3,032,900,464</u>	<u>1,639,696,520</u>	<u>2,239,058,193</u>

## 18. Borrowings

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Current</b>				
Trust receipts	686,345,198	794,205,382	-	-
Short-term borrowings from financial institutions	<u>1,235,669,061</u>	<u>1,756,519,088</u>	<u>907,169,675</u>	<u>1,756,519,088</u>
Total borrowings from financial institutions	<u>1,922,014,259</u>	<u>2,550,724,470</u>	<u>907,169,675</u>	<u>1,756,519,088</u>
Short-term borrowings from related parties (Note 29)	-	682,000,000	699,180,449	1,119,000,000
Current portion of long-term borrowings:				
- Financial institutions	631,891,960	724,562,532	500,396,512	202,520,000
- Related parties (Note 29)	4,850,000	4,850,000	-	-
- Others	53,800,149	47,891,139	10,566,123	10,113,704
- Finance lease liabilities	<u>6,346,211</u>	<u>5,717,307</u>	<u>6,346,211</u>	<u>5,717,307</u>
Total current portion of long-term borrowings	<u>696,888,320</u>	<u>783,020,978</u>	<u>517,308,846</u>	<u>218,351,011</u>
Total current borrowings	<u>2,618,902,579</u>	<u>4,015,745,448</u>	<u>2,123,658,970</u>	<u>3,093,870,099</u>
<b>Non-Current</b>				
Long term borrowing from financial institutions	3,248,870,438	959,123,530	3,245,983,763	305,200,000
Long term borrowing from related parties (Note 29)	82,450,000	87,300,000	-	-
Long term borrowing from others	145,202,635	140,260,877	19,166,466	29,732,589
Finance lease liabilities	<u>805,960,964</u>	<u>812,307,175</u>	<u>805,960,964</u>	<u>812,307,175</u>
Total non-current borrowings	<u>4,282,484,037</u>	<u>1,998,991,582</u>	<u>4,071,111,193</u>	<u>1,147,239,764</u>
<b>Total borrowings</b>	<u>6,901,386,616</u>	<u>6,014,737,030</u>	<u>6,194,770,163</u>	<u>4,241,109,863</u>

As at 31 December 2015, all borrowings of the Group are in Thai Baht, except Trust receipts which are in Thai Baht and US Dollar.

As at 31 December 2015, the Group have mortgaged property, plant and equipment at net amount of Baht 279.99 million in the consolidated and company financial statements (2014: Baht 3,167.86 million and Baht 485.22 million in the consolidated and company financial statements, respectively) as collaterals for long-term borrowings from a financial institution (Note 14).

The movements of long-term borrowings (excluded finance leases liabilities) are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Opening balances, net	1,963,988,078	3,501,283,594	547,566,294	1,641,301,947
Additions	4,258,239,591	435,996,987	4,000,000,000	-
Transaction costs	(10,000,000)	-	(10,000,000)	-
Repayment	(2,050,062,199)	(1,978,956,194)	(763,418,428)	(1,096,066,977)
Amortisation of deferred discounts	4,899,712	5,663,691	1,964,998	2,331,324
Closing balances, net	4,167,065,182	1,963,988,078	3,776,112,864	547,566,294

#### Long-term borrowings from financial institution

On 2 July 2015, the Company entered into the long-term borrowings with a financial institution of Baht 4,000.00 million. Principals and interests are repayable every 6 months for 14 periods over the period of 7 years commencing December 2015. The loans bear interest at an interest rate of THB FIX 6-month plus a certain margin per annum. Under the loan agreement, the Company has to comply with certain conditions as stipulated, such as maintaining debt to equity ratio, to mortgage property, plant and equipment of the Company as collateral, etc.

On the same date, the Company entered into interest rate swap contract for the same amount of loans at Baht 4,000.00 million to swap from the rate of THB FIX six-month plus a certain margin per annum to fixed rate per annum. The contract shall be effective for a period from 2 July 2015 to 30 June 2020.

Furthermore, the Company also has long-term borrowings from another financial institution with an outstanding balance as at 31 December 2015 amounting to Baht 5.20 million (2014: Baht 7.72 million). The loans bear an interest rate at 2.00% per annum. The principals and interest will be paid annually according to the loan agreement.

#### Long-term borrowings from other

Long-term borrowings from other in the consolidated and company financial statements of Baht 199.00 million and baht 29.73 million, respectively (2014: Baht 188.15 million and Baht 39.85 million in the consolidated and company financial statements, respectively) are loans that the Group have borrowed from Office of Cane and Sugar Fund (OCSF). The loans bear average interest rate at 2.10% per annum. The principals and interests will be paid annually according to the factoring agreements between the Group and OCSF, following the Project financing for the purchase of harvesters. These loans are secured by authorised directors of the Company.

The interest rate exposure on the borrowings (excluded finance leases liabilities) is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Fixed rates	5,631,316,091	3,107,962,102	5,382,462,988	2,923,085,382
Floating rates	457,763,350	2,088,750,446	-	500,000,000
	6,089,079,441	5,196,712,548	5,382,462,988	3,423,085,382

The weighted average effective interest rates at the statements of financial position date were as follows:

	Consolidated		Company	
	2015 %	2014 %	2015 %	2014 %
- Borrowings from financial institutions	1.94 - 3.83	1.82 - 5.75	2.00 - 3.45	2.00 - 4.75
- Borrowings from other	0.42 - 2.00	2.00 - 3.50	1.38 - 2.00	1.75 - 4.75
- Finance lease liabilities	11.00	11.00	11.00	11.00

The carrying amounts of short-term borrowings with fixed interest rate approximate their fair values because of their short-term maturities. The long-term loans from financial institutions with floating interest rates, the fair values approximate the carrying amounts. Fair values of the long-term loans from financial institutions and other with fixed interest rates approximate the carrying amounts because the current interest rates of the similar terms loans as the Group's approximate the interest rates per the agreement.

Maturity of long-term borrowings (excluded finance leases liabilities) were as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Within 1 year	690,542,109	777,303,671	510,962,635	212,633,705
Later than 1 year but no later than 5 years	2,364,228,976	1,118,784,407	2,215,906,132	334,932,589
Later than 5 years	1,112,294,097	67,900,000	1,049,244,097	-
	<u>4,167,065,182</u>	<u>1,963,988,078</u>	<u>3,776,112,864</u>	<u>547,566,294</u>

As at 31 December 2015, the Group have unused borrowing facilities amounting to Baht 931.92 million, which interest rates are subject to the market rate.

The present value of finance lease liabilities as at 31 December 2015 and 2014 is as follows:

	Consolidated and Company			
	2015			
	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	2,009,700,000	2,488,200,000
<u>Less</u> Future finance charges on finance lease	<u>(89,353,789)</u>	<u>(349,623,271)</u>	<u>(1,236,915,765)</u>	<u>(1,675,892,825)</u>
Present value of finance lease liabilities	<u>6,346,211</u>	<u>33,176,729</u>	<u>772,784,235</u>	<u>812,307,175</u>

	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	<u>(89,982,693)</u>	<u>(352,911,055)</u>	<u>(1,322,981,770)</u>	<u>(1,765,875,518)</u>
Present value of finance lease liabilities	<u>5,717,307</u>	<u>29,888,945</u>	<u>782,418,230</u>	<u>818,024,482</u>

## 19. Employee benefit obligations

The movement in the employee benefit obligations during the year is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Beginning balances	299,168,074	260,519,458	172,219,192	151,917,719
Current service costs	18,766,069	18,117,151	8,556,823	9,233,398
Interest costs	8,576,405	6,796,352	4,780,518	3,833,007
Actuarial (gain)/loss on the defined employee benefit plans	(50,503,504)	21,874,891	(25,651,599)	11,557,928
Benefits paid	(15,067,632)	(8,139,778)	(5,725,159)	(4,322,860)
Ending balances	260,939,412	299,168,074	154,179,775	172,219,192

The significant assumptions used for calculating employee benefit obligations according to the actuarial technique as at the consolidated and company statements of financial position date are as follows:

	Consolidated		Company	
	2015	2014	2015	2014
Discount rate as at 31 December	2.75%	3.00% - 3.50%	2.75%	3.00%
Salary growth rate	5.00%	5.00%	5.00%	5.00%

	Consolidation		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 3.78%	Increase by 4.08%
Salary growth rate	0.5%	Increase by 5.20%	Decrease by 4.78%

	Company		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 3.41%	Increase by 3.67%
Salary growth rate	0.5%	Increase by 4.85%	Decrease by 4.47%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position (Projected Unit Credit Method).

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The Group is exposed to a number of risks, the most significant of which are detailed below:

#### Changes in bond yields

A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 7 years.

The Group use the cash flows from operating activities to pay the retirement benefits.

Expected maturity analysis of retirement and other long-term benefits:

				Consolidated
	Less than a year Baht million	Between 1-5 years Baht million	More than 5 years Baht million	Total Baht million
Retirement benefits	49	49	234	332
Total	49	49	234	332

				Company
	Less than a year Baht million	Between 1-5 years Baht million	More than 5 years Baht million	Total Baht million
Retirement benefits	34	32	125	191
Total	34	32	125	191

## 20. Other non-current liabilities

As at 31 December 2015, a subsidiary has interest payable arising from long-term loans presented as non-current liabilities of Baht 597.98 million (2014: Baht 627.62 million). See more explanation in Note 29 d).

## 21. Share capital and premium on share capital

	Authorised number of Shares	Issued and fully paid-up		
		Number of ordinary Shares	Ordinary share Baht	Premium on share capital Baht
As at 1 January 2014	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
Issue of shares	10	10	10	114
As at 31 December 2015	3,888,000,010	3,860,000,010	3,860,000,010	5,202,881,296

As at 31 December 2015, the total number of authorised ordinary shares is 3,888,000,010 shares (2014: 3,888,000,000 shares) with a par value of Baht 1 per share. The issued and fully paid-up ordinary shares is 3,860,000,010 (2014: 3,860,000,000 shares).

At the Annual Shareholders' Meeting held on 23 April 2015, the shareholders approved an increase of share capital from Baht 3,888,000,000 to Baht 3,888,000,010 by issuing of 10 ordinary shares with a par value of Baht 1. The Company received subscription at Baht 12.40 per share. The paid-up share capital and premium on share capital totalling Baht 10 and Baht 114, respectively. The Company registered the increased share capital with the Ministry of Commerce on 25 May 2015.

## 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.

## 22. 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 staff who will be eligible to exercise right must be the staff during the exercise period. The staff holding the warrants but resign, be laid-off, be fired will no longer be eligible to exercise such right. In addition, the ineligible staff will have to return warrants to the Company immediately after termination. 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 units	Exercise Ratio unit/share	Exercise period	
						Start	End
ESOP	1 December 2014	1 December 2019	10	28,000,000	1:1	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 company financial statements, for the year ended 31 December 2015, were Baht 44.49 million and Baht 23.27 million, respectively, (2014: Baht 3.71 million and Baht 1.94 million for consolidated and company financial statements, respectively).



Movements of capital reserve for share-based payment transaction in the statements of financial position as at 31 December 2015 are as follows:

	<b>Consolidated and Company Baht</b>
Opening balance	3,707,407
Issued warrants during the period	44,488,889
Closing balance	48,196,296

Movements of the warrants were as follow:

	<b>Consolidated and Company Number of warrants (Units)</b>
At 1 January 2015	28,000,000
Issued warrants during the year	-
At 31 December 2015	28,000,000

### 23. Legal reserve

	<b>Consolidated and Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>
At 1 January	212,666,636	55,262,665
Appropriation during the year	32,526,405	157,403,971
At 31 December	245,193,041	212,666,636

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.

## 24. Other income

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Rental income	2,558,395	3,103,406	3,195,896	4,000,413
Other services income	5,725,784	5,543,977	7,218,527	18,451,923
Interest income	30,408,080	34,493,181	122,464,038	89,828,300
Gain on realised discount from transfer right of farmer receivables	9,414,708	23,869,225	9,248,662	23,869,225
Sugar Quota B right	1,850,808	40,596,600	1,850,808	40,596,600
Gain on sales of fixed assets	13,511,582	5,123,812	3,635,856	6,632,664
Revenue from the sales of scraps of fixed assets	7,749,378	18,467,042	-	-
Compensation from damages	19,363,774	31,753,131	17,764,529	28,891,756
Others	37,738,217	65,679,406	17,048,100	18,858,331
	<u>128,320,726</u>	<u>228,629,780</u>	<u>182,426,416</u>	<u>231,129,212</u>

## 25. Expense by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Raw materials and supplies used	9,663,053,692	11,836,317,674	7,265,208,786	9,077,928,628
Purchase finished goods	292,285,036	609,305,728	424,302,557	691,945,529
Staff costs	1,245,132,277	1,167,117,298	694,814,860	643,079,425
Depreciation and amortisation	940,614,843	820,368,926	410,639,720	300,428,420
Repair and maintenance expense	709,915,336	655,191,421	417,824,808	356,681,985
Fuel costs	565,273,273	688,767,701	143,605,269	115,655,185
Transportation expenses	498,496,988	530,247,396	257,751,778	291,169,862
Fees paid to the Office of the Cane and Sugar Fund	1,354,740,124	1,329,256,703	862,275,448	1,018,705,639

## 26. Income tax expense

The annual tax rate for the consolidated and company financial statements, for the year ended 31 December 2015, was 20% (2014: 20%).

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Current tax:				
Current tax on profits for the year	1,669,118	101,544,588	-	91,803,745
Adjustments in respect of prior year	-	(2,212,379)	-	-
<b>Total current tax</b>	<u>1,669,118</u>	<u>99,332,209</u>	<u>-</u>	<u>91,803,745</u>
Deferred tax:				
Origination and reversal of temporary differences	(49,886,974)	(5,741,387)	(34,999,419)	(1,686,718)
<b>Total deferred tax</b>	<u>(49,886,974)</u>	<u>(5,741,387)</u>	<u>(34,999,419)</u>	<u>(1,686,718)</u>
<b>Total tax expense</b>	<u>(48,217,856)</u>	<u>93,590,822</u>	<u>(34,999,419)</u>	<u>90,117,027</u>

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	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Profit before tax	681,731,304	1,459,346,556	615,582,685	1,219,207,765
Tax calculated at a tax rate of 20%	136,346,261	291,869,311	123,105,737	243,841,553
Tax effect of:				
Income not subject to tax	(169,895,398)	(312,205,656)	(189,287,871)	(184,914,347)
Expenses not deductible for tax purpose	17,817,088	48,602,811	4,846,226	31,189,821
Adjustment in respect of prior year	-	(2,212,379)	-	-
Utilisation of previously unrecognised tax losses	(56,879,113)	(13,785,774)	-	-
Tax losses for which no deferred income tax asset was recognised	24,393,306	81,322,509	26,336,489	-
Income tax expense/ (tax income)	(48,217,856)	93,590,822	(34,999,419)	90,117,027

The tax credit relating to component of other comprehensive income is as follows:

	Consolidated					
	2015			2014		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Actuarial (gain)/loss on retirement benefit obligations	50,503,504	(10,100,701)	40,402,803	(21,874,891)	4,374,978	(17,499,913)
<b>Other comprehensive income</b>	<b>50,503,504</b>	<b>(10,100,701)</b>	<b>40,402,803</b>	<b>(21,874,891)</b>	<b>4,374,978</b>	<b>(17,499,913)</b>

	Company					
	2015			2014		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Actuarial (gain)/ loss on retirement benefit obligations	25,651,599	(5,130,319)	20,521,280	(11,557,928)	2,311,586	(9,246,342)
<b>Other comprehensive income</b>	<b>25,651,599</b>	<b>(5,130,319)</b>	<b>20,521,280</b>	<b>(11,557,928)</b>	<b>2,311,586</b>	<b>(9,246,342)</b>

## 27. 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 which are the warrants.

The basic earnings per share and the diluted earnings per share are as follows:

For the years ended 31 December	Consolidated					
	Profit		Weighted average number of shares		Earnings per share	
	Baht		shares		Baht	
	2015	2014	2015	2014	2015	2014
Basic earnings per share	729,949,160	1,365,755,734	3,860,000,007	3,678,758,216	0.19	0.38
The effect of dilutive potential shares	-	-	-	-		
Diluted earnings per share	729,949,160	1,365,755,734	3,860,000,007	3,678,758,216	0.19	0.38

For the years ended 31 December	Company					
	Profit		Weighted average number of shares		Earnings per share	
	Baht		shares		Baht	
	2015	2014	2015	2014	2015	2014
Basic earnings per share	650,528,104	1,129,090,738	3,860,000,007	3,678,758,216	0.17	0.31
The effect of dilutive potential shares	-	-	-	-		
Diluted earnings per share	650,528,104	1,129,090,738	3,860,000,007	3,678,758,216	0.17	0.31

As previously mentioned in Note 22: Share-based payment - Warrants, the warrants are assumed to have been converted into ordinary shares of 28 million shares, to add number of ordinary shares in calculating diluted earnings per share, and the net profit is adjusted to eliminate finance costs relating to such warrants. However, for the year ended 31 December 2015, assumed conversion was not incurred because the market price was lower than exercise price. There is no impact on the presentation of diluted earnings per share.

## 28. Dividends

On 23 April 2015, the Annual Shareholders Meeting for the year 2015, it passed the resolution to approve the payment of dividend from the operating result of 2014 at Baht 0.18 per share for 3,860 million ordinary shares, totaling Baht 694.80 million. The dividends were paid to the shareholders on 18 May 2015.

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 for 3,860 million ordinary shares, totaling 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.

## 29. 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.

Mrs. Hatai Siriwiriyakul and 3S Holding Company Limited are the major shareholders of the Company as at 31 December 2015, holding 36.19% and 25.00%, respectively.

The following transactions were carried out with related parties:

**a) Business transactions with related parties**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Business transactions with subsidiaries</b>				
Revenues from sales and services	-	-	806,427,143	778,931,586
Dividend income	-	-	946,439,354	847,986,160
Interest income	-	-	104,526,182	66,713,071
Other income	-	-	15,015,568	19,981,431
Cost of sales and services	-	-	278,377,283	179,824,899
Administrative expenses	-	-	780,143	868,674
Finance costs	-	-	7,907,995	22,220,432
<b>Business transactions with other related parties</b>				
Revenues from sales and services	817,553	-	-	-
Other income	40,212,679	14,766,271	40,067,414	14,577,239
Cost of sales and services	236,153,984	322,895,856	139,757,697	181,430,435
Selling expenses	270,023,683	372,082,554	160,120,667	267,876,532
Administrative expenses	50,000,054	61,251,320	15,388,243	19,170,528
Finance costs	94,247,691	235,685,433	93,885,396	197,783,983
Purchase of assets	255,000	-	-	-

**b) Outstanding balances arising from sales/purchases of goods/services**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Trade accounts receivables				
- related parties:				
Subsidiaries	-	-	56,757,890	36,991,681
Other related parties	955	248,960	955	248,960
	<u>955</u>	<u>248,960</u>	<u>56,758,845</u>	<u>37,240,641</u>
Other receivables - related parties:				
Subsidiaries	-	-	29,120,637	6,030,947
Other related parties	3,424,392	64,483,846	3,324,281	64,384,120
	<u>3,424,392</u>	<u>64,483,846</u>	<u>32,444,918</u>	<u>70,415,067</u>
Other current assets:				
Other related parties	2,027,499	2,027,499	2,027,499	2,027,499
	<u>2,027,499</u>	<u>2,027,499</u>	<u>2,027,499</u>	<u>2,027,499</u>

The following transactions were carried out with related parties: (Cont'd)

**b) Outstanding balances arising from sales/purchases of goods/services (Cont'd)**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Other non-current assets:				
Other related parties	102,404,358	102,404,358	101,000,000	101,000,000
	<u>102,404,358</u>	<u>102,404,358</u>	<u>101,000,000</u>	<u>101,000,000</u>
Trade accounts payables - related parties:				
Subsidiaries	-	-	28,233,710	11,521,268
Other related parties	21,478,080	27,140,677	13,520,615	18,592,226
	<u>21,478,080</u>	<u>27,140,677</u>	<u>41,754,325</u>	<u>30,113,494</u>
Other payables - related parties:				
Subsidiaries	-	-	12,140,351	12,221,984
Other related parties	89,519,542	98,157,847	42,246,937	50,255,177
	<u>89,519,542</u>	<u>98,157,847</u>	<u>54,387,288</u>	<u>62,477,161</u>
Other current liabilities:				
Other related parties	1,071,700	644,300	1,071,700	644,300
	<u>1,071,700</u>	<u>644,300</u>	<u>1,071,700</u>	<u>644,300</u>

**c) Loans to a related parties**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Short-term loans to related parties	-	-	1,432,008,759	2,230,500,000

Short-term loans to related parties

Short-term loans to related parties are promissory notes totaling Baht 1,432.01 million (2014: Baht 2,230.50 million) that 6 subsidiaries issued to the Company. The promissory notes are held at call and bear interest at fixed rates between 3.00% - 4.20% per annum (2014: 3.50% - 4.75% per annum).

The following transactions were carried out with related parties: (Cont'd)

**d) Borrowings from related parties**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Short-term borrowings from related parties	-	682,000,000	699,180,449	1,119,000,000
Current portion of long-term borrowings from related parties	4,850,000	4,850,000	-	-
Long-term borrowings from a related party	82,450,000	87,300,000	-	-
	<u>87,300,000</u>	<u>774,150,000</u>	<u>699,180,449</u>	<u>1,119,000,000</u>

Short-term borrowings from related parties

At 31 December 2015, short-term borrowings from related parties are promissory notes held at call that the Company has issued to subsidiaries bearing interest at fixed rates between 1.375% - 1.75% per annum (2014: 1.75% - 4.75% per annum).

Long-term borrowings from a related party

Long-term borrowings from a related party are liabilities according to the debt restructuring agreement that a subsidiary has with a related party as detailed below:

	Consolidated	
	2015 Baht	2014 Baht
Principals - Current liabilities	4,850,000	4,850,000
- Non-current liabilities	82,450,000	87,300,000
Interest payable - Current liabilities	30,000,000	30,000,000
- Non-current liabilities (Note 20)	597,977,324	627,615,029
Total	<u>715,277,324</u>	<u>749,765,029</u>

The above borrowings are payable over the period of 20 years commencing 2014. The repayment amount of each year is stipulated in the debt restructuring agreement.

**e) Directors' and management's remuneration**

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Short-term benefits	122,915,476	124,748,093	108,276,776	108,059,329
Post- retirement benefits	1,985,150	1,633,914	1,426,090	1,198,128
Share-based payment benefits	1,445,724	120,477	1,045,495	87,125
	<u>126,346,350</u>	<u>126,502,484</u>	<u>110,748,361</u>	<u>109,344,582</u>

Directors' and management's remuneration represents salaries, meeting fees and other benefits.

The following transactions were carried out with related parties: (Cont'd)

**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) Foreign currency forward contracts**

The Group has entered in to foreign currency forward contracts via T.I.S.S. Co., Ltd. which is a related party, contract value amounting to USD 23.00 million (2014: USD 120.71 million).

## 30. Financial instruments

As at 31 December 2015 and 2014, the Group has derivative financial instruments as follow:

**a) Foreign currency risk**

As at 31 December, foreign currency forward contracts outstanding of the Group are summarised below:

<b>Consolidated</b>			
<b>31 December 2015</b>			
	<b>Currency</b>	<b>Amount (Million)</b>	<b>Contract exchange rate (Baht)</b>
Buy	USD	1.41	35.82 - 35.87
Sell	USD	108.04	33.22 - 36.47
<b>Company</b>			
<b>31 December 2015</b>			
	<b>Currency</b>	<b>Amount (Million)</b>	<b>Contract exchange rate (Baht)</b>
Sell	USD	108.04	33.22 - 36.47
<b>Consolidated</b>			
<b>31 December 2014</b>			
	<b>Currency</b>	<b>Amount (Million)</b>	<b>Contract exchange rate (Baht)</b>
Buy	YEN	80.00	0.2819 - 0.3186
Sell	USD	94.74	33.01 - 33.52



As at 31 December 2015 and 2014, the Group has derivative financial instruments as follow: (Cont'd)

**b) Interest rate exchange contract**

On 2 July 2015, the Company has entered into interest rate swap contract for the long-term borrowings of Baht 4,000 million with a financial institution, to swap floating interest rate at THB-FIX 6 months plus a certain margin per annum to a fixed interest rate per annum. The contract shall be effective for a period of 5 years, commencing 2 July 2015.

As at 31 December 2015 the remaining interest rate swap contract for the long-term borrowings of Thai currency has totaling Baht 3,750 million (2014: Nil)

**Fair values**

The carrying amounts of cash and cash equivalents short-term investments, trade receivables, other short-term receivables, trade payables, other short-term payables, short-term loans from financial institutions, short-term loans to related parties and short-term loans from related parties approximate their fair values due to the short-term maturity period.

The carrying amounts of long-term loans from financial institutions approximate their fair values due to floating interest rates. The long-term loans from financial institutions and others with fixed interest rate, their fair values approximate the carrying amounts because the average interest rate at the financial position date offered to the loans with the similar terms and conditions to the Group's approximate to the fixed rates specified in the contracts.

The net fair values of derivative financial instruments at the statement of financial position as at 31 December were as follow:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Contracts with positive fair values:				
Forward foreign exchange contracts	3,688,177	2,361,701	3,254,287	2,361,701
	<u>3,688,177</u>	<u>2,361,701</u>	<u>3,254,287</u>	<u>2,361,701</u>
Contracts with negative fair values:				
Interest rate swap contracts	23,375,742	-	23,375,742	-
Forward foreign exchange contracts	188,465,827	9,947,424	188,465,827	9,947,424
	<u>211,841,563</u>	<u>9,947,424</u>	<u>211,841,563</u>	<u>9,947,424</u>

The fair values of derivative financial instruments, which are cross currency swap contracts and interest rate swap contracts, are the market prices adjusted by credit risk of the Group which calculated by the financial institution of the Group as at the statement of financial position date. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates, the instrument is included in level 2.

### 31. 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 pulp manufacturing	14 October 2004	13 October 2012
1826(2)/2547	25 26 28 31 34 35(3) and 37	27 September 2004	Ethanol manufacturing Pure alcohol for fuel manufacturing 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	Electricity generating 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	
1557(1)/2558	25 26 28 31 34 35(1) 35(2) 35(3) and 36(1)	25 December 2014	Electricity generating and stream production from biomass	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.

### 32. Commitments and contingent liabilities

#### a) Capital commitment

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Property, plant and equipment	325,234,894	815,578,541	75,687,616	209,354,880

#### b) Operating lease commitments - where the Company is the lessee

The future minimum lease payments under operating leases are as follows:

	Consolidated		Company	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Not later than 1 year	29,681,394	23,439,268	8,936,829	9,405,328
Later than 1 year but not later than 5 years	45,870,850	23,086,935	21,284,000	21,329,000
Later than 5 years	115,768,000	121,100,000	111,300,000	116,600,000
	191,320,244	167,626,203	141,520,829	147,334,328

**c) Other commitments**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Letters of credits	132,198,581	567,046,889	22,133,867	80,088,804

**d) Contingent liabilities**

As at 31 December, the Group have letters of guarantees issued by financial institutions, which are related to the commitment arose from normal business operation as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht</b>	<b>2014 Baht</b>	<b>2015 Baht</b>	<b>2014 Baht</b>
Bank guarantees	49,414,000	36,500,566	4,075,000	21,615,656

### 33. Post statement of financial position event

At the Company's Board of Directors' meeting on 22 February 2016, it approved a dividend payment for the operating result of 2015 at Baht 0.10 per share for 3,860,000,010 ordinary shares, amounting to Baht 386.00 million. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2016 for further consideration and approval.



**KTIS**

*More Than Sugar*

**บริษัท เกษตรไทย อินเตอร์เนชั่นแนล ซูการ์ คอร์ปอเรชั่น จำกัด (มหาชน)**  
**Kaset Thai International Sugar Corporation Public Company Limited**

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