



Annual Report 2012

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED



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Message from the Chairman

Sugar industry is an agriculture industry that generates large amount of export revenue for the country in each year. For the 2011/2012 production season, there was 97.979 million tons of sugarcane nationwide. Production is divided into 3.744 million tons of white sugar, and 6.400 million tons of raw sugar. In addition, there are by products such as 4.390 million tons of molasses. Consequently, the business performance of Thai Sugar Terminal Public Company Limited in 2012 could earn profits from the loading and storing service in an amount of 95.240 million Baht, an increase of 27.82 million Baht from the previous year, equivalent to 41.26%.



Throughout 2012, the committee had performed its duty by considering various aspects carefully regarding to business operational policy, such as the business operational investment for both the Company and its subsidiaries, procurement of raw material, financial management, operational management, personnel management, risk management, including considering sources of capital that supports the affiliate's business operation for the best advantages, as well as, realizing the importance of good corporate governance and sufficient internal control to focus on the best interest for the Company and shareholders.

Finally, on behalf of Thai Sugar Terminal Public Company Limited's Board of Directors, and its subsidiaries, we would like to thank all shareholders who have always trusted and supported the Company's business. All directors are ready to supervise the business of the Company and its affiliate to ensure stability and growth in the future.



Mr.Pricha Attavipach

Chairman

March 14, 2013

Report of Chief Executive Officer

Thai Sugar Terminal Public Company Limited and its affiliates are committed to respond the demand of each group of customers with quality services based on customers' requirements. Our goal is to be the best service provider. In 2012, the Company provided transportation service for raw sugar, white sugar, and molasses, and provided port services for other agricultural products, such as rice, wheat, palm oil, etc. For the main product, 1.074 million tons and 1.307 hundred thousand tons of molasses came in for the service so that the revenues from turnover of white sugar loading and storing service in 2012 was higher than the previous year by 27.82 million Baht, or an increase of 41.26%. In addition, the Company improved its warehouses, road, and parking lots in the previous year in order to efficiently support all products. The Company procured 3 barges for loading and unloading sugar to vessels at the deep sea port. Moreover, the Company purchased the land in the area of Soi Mahawong in order to develop and construct commercial buildings and townhouses. Since this location is not far from the main road and the sky train terminal, it is suitable for trading and living and estimated that the Company can earn profits from it.



For any developments of the subsidiaries in the previous year, T S Flour Mill Public Company Limited, which is the wheat flour plant with the good turnover since its startup, was permitted to be the registered company in MAI Stock Exchange. In addition, this company also plans to expand its productivity in the future. Regarding to T S Oil Industry Company Limited, it operates palm oil refinery business under the "Racha" brand and launched products into the market by distributing them to superstores, including food processing factories, groceries, and general stores in up countries and along the borders. In addition, T S Transport and Logistics Company Limited operated the plant of Polypropylene sack for packaging. Main customers are wheat flour factories, sugar factories, and general customers using plastic sacks for packaging agricultural products, soil, fertilizer, and so on. In the previous year, additional machineries were installed, such as, tape reeling machine, weaving machine, sack cutter, color printing machine, in order to improve product quality and enhance the productivity to support the quantity of purchase orders.


With the investment in various businesses of the Company and its subsidiaries, the Management realizes the importance of risk management in various aspects, such as, marketing risk, liquidity risk, operational risk, and business operational strategic risk. The company aims its goal to create the economic growth and stable return for shareholders and investors in the long term. Additionally, the Management also focuses on human resources and is committed to develop works in all aspects along with the emphasis on good corporate governance so that the Company is recognized by current and prospect shareholders and investors.





(Mr. Prapas Chutimavoraphand)


Chairman of Executive Board

March 14, 2013


Name	: Mr. Pricha Attavipach	
Age	: 75 Years Old	
Nationality	: Thai	
Education Background	: Bachelor Degree of Industrial engineering, Chulalongkorn University. Master of Industrial Engineering and Management, Oklahoma State University U.S.A.	
Director's Training	: 1. Certificate of Finance for Non - Finance Directors (FND 8/2004) 2. Certificate of Director Certification Program (DCP 39/2004) 3. Certificate of Audit Committee Program (ACP 11/2006) Thailand Institute of Director (IOD)	
Current Position	: Chairman/Independent Director Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: None	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other business		
(a) Name of non-registered companies that currently hold the position		
Chairman	Pan Paper Co., Ltd.	
Chairman	Ruamkij Aungthong Warehouse Limited	
Chairman	Chainant Bangplee Parkland Co., Ltd.	
Chairman	Siam P.P. International Co., Ltd.	
Chairman	Environment Pulp And Paper Co., Ltd.	
Chairman	Ekarat Pattana Co., Ltd.	
Chairman	Thai Identity Sugar Factory CO., Ltd.	
Chairman	Ruampol Enterprise Company Limited	
Director	S.C. Stark Company Limited	
(b) Name of other registered companies		
Chairman	T S Flour Mill Public Company Limited	
Chairman of Audit Committee/ Director/Independent Director	Thai Rung Union Car Public Company Limited	
Independent directors / Audit Committee	Thai Siam Cement Public Company Limited	
Chairman	Tongkah Harbour Public Company Limited	
Chairman	Kasest Thai International Sugar Corporation Public Company Limited	
(c) Name of business that may lead to conflict of interest : None		


Name	: Mr. Chadej Insawang	
Age	: 66 Years Old	
Nationality	: Thai	
Education Background	: Master of Political Science ,Thammasat University : Bachelor of Law ,Thammasat University	
Director's Training	: Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD)	
Current Position	: Chairman of Audit Committee/Independent Director Thai Sugar Terminal Public Company Limited	
Shareholding	: None	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other business		
(a) Name of non-registered companies that currently hold the position		
Director	T S Warehouse Company Limited	
Director	T S G Asset Company Limited	
Director	T S Oil Industry Company Limited	
Director	T S Transport and Logistics Company Limited	
(b) Name of other registered Companies : None		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Prapas Chutimavoraphand	
Age	: 75 Years Old	
Nationality	: Thai	
Education Background	: Matayom 6, Banbung School	
Director's Training	: Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	
Current Position	: Managing Director and Chairman of Executive Board (Authorized Director) Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 2,198,968 shares (1.67%)	
Relationship with executives or shareholder	: Father of Mr. Chanachai Chutimavoraphand Director and Executive Director	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Senior Executive Vice President	New Krung Thai Sugar Factory Company Limited	
Senior Executive Vice President	Tamaka Sugar Company Limited	
Senior Executive Vice President	New Kwang Sun Lee Sugar Company Limited	
Managing Director	On nuj Construction Company Limited.	
Director	Khon Kaen Electricity Company Limited	
Director	Para High Tech Company Limited	
Director	Bangkok Boutique Hotel (Thailand) Limited.	
(b) Name of other registered companies		
Chairman of Executive Board	T S Flour Mill Public Company Limited	
Senior Executive Vice President	Khon Kaen Sugar Company Limited	
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Pong Chinthammit	
Age	: 56 Years Old	
Nationality	: Thai	
Education Background	: Bachelor Degree of Science, Industrial Technology Roger Williams University	
Director's Training	: Certificate of Director Accreditation Program (DAP 10/2004) Thailand Institute of Director (IOD)	
Current Position	: Senior Executive Vice President and Vice Chairman of Executive Board (Authorized Director) Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: None	
Relationship with executive or shareholder	: Uncle of Mr. Win Chinthammit, Non-executive Director	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Vice President	Prachuab Industry Company Limited	
Executive Vice President	K.C. Agriculture Company Limited	
Director	K.S.L. Export Trading Company Limited	
(b) Name of other registered companies : None		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Chanachai Chutimavoraphand	
Age	: 41 Years Old	
Nationality	: Thai	
Education Background	: Bachelor of Law, Chulalongkorn University. Bachelor Degree of Engineering, Chulalongkorn University. Master Degree of Engineering, Industrial Engineering, U.S.A. Master Degree of Business Administration, Tennessee University, U.S.A.	
Director's Training	: Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	
Current Position	: Executive Director (Authorized Director) Member of Nominating and Remuneration Committee Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 24,173,680 shares (18.31%)	
Relationship with executives or shareholders	: Son of Mr. Prapas Chutimavoraphand Managing Director and Chairman of Executive Board	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Vice President Finance & Accounting	Tamaka Company Limited	
Executive Vice President Finance & Accounting	New Krungthai Sugar Factory Company Limited	
Executive Vice President Finance & Accounting	New Kwang Sun Lee Sugar Company Limited	
(b) Name of other registered companies		
Executive Director	T S Flour Mill Public Company Limited	
Executive Vice President Finance & Accounting	Khon Kaen Sugar Public Company Limited	
(c) Name of business that may lead to conflict of interest : None		


Name	: Mr. Narong Chenlarpwanakul	
Age	: 47 Years Old	
Nationality	: Thai	
Education Background	: Bachelor Degree of Economics, Thammasat University.	
Director's Training	: Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	
Current Position	: Executive Director (Authorized Director) Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: None	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Director	Mitkaset Industry Company Limited	
Director	Wattanakul Oxygen company Limited	
(b) Name of other registered companies		
Executive Director	T S Flour Mill Public Company Limited	
Member of Nominating and Remuneration Committee		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Suang Ruangsook	
Age	: 79 Years Old	
Nationality	: Thai	
Education Background	: Advanced Accounting Certificate, Bangkok Business College	
Director Training	: Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	
Current Position	: Audit Committee and Independent Director Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 271,920 Shares (0.21%)	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Advisory Board	Eastern Sugar and Cane Public Company Limited	
Director	PDTL Trading Limited Partnership	
(b) Name of other registered companies : None		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Nisakorn Parkpean	
Age	: 65 Years Old	
Nationality	: Thai	
Education Background	: Bachelor Degree of Accounting, Chulalongkorn University.	
Director Training	: Certificate of Director Accreditation Program (DAP 30/2004) Thailand Institute of Director (IOD)	
Current Position	: Audit Committee and Independent directors Chairman of the Nominating and Compensation Committee Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 178,200 shares (0.14%)	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Chairman	Siam Furline Company limited	
Managing Director	Thai Teak Asset Company Limited	
(b) Name of other registered companies : None		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Chalush Chinthammit	
Age	: 44 Years Old	
Nationality	: Thai	
Education Background	: BBA, Finance and Banking, Assumption University MBA, Finance & Banking, Mercer University, U.S.A.	
Director Training	: Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	
Current Position	: Non-Executive Director Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 66,000 shares (0.05%)	
Relationship with executives or shareholder	: Grandchildren of Mr. Somchai Chinthammit Non-Executive Director	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Vice President	Tamaka Company Limited	
Executive Vice President	New Krungthai Sugar Factory Company Limited	
Executive Vice President	New Kwang Sun Lee Sugar Company Limited	
Executive Vice President	Khon Kaen Alcohol Company Limited	
Director	KSL Export Trading company Limited	
Director	Khon Kaen Electricity Company Limited	
Director	Sawan Naket Sugar company Limited	
(b) Name of other registered companies		
Director	T S Flour Mill Public Company Limited	
Executive Vice President	Khon Kaen Sugar Public Company Limited	
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Somchai Chinthammit	
Age	: 61 Years Old	
Nationality	: Thai	
Education Background	: Diploma, Computer Computer College Germany	
Director Training	: Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	
Current Position	: Non-Executive Director Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 215,090 shares (0.16%)	
Relationship with executives or shareholder	: Uncle of Mr. Chalush Chinthammit Non-Executive Director	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Director	Tamaka Company Limited	
Executive Director	New Krungthai Sugar Factory Company Limited	
Executive Director	New Kwang Sun Lee Sugar Company Limited	
Director	Racha Fermentation Co., Ltd.	
Director	Khon Kaen Alcohol Company Limited	
Director	Khon Kaen Electricity Company Limited	
(b) Name of other registered companies		
Director	T S Flour Mill Public Company Limited	
Member of Nominating and Remuneration Committee		
Executive Director	Khon Kaen Sugar Public Company Limited	
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Win Chinthammit	
Age	: 38 Years Old	
Nationality	: Thai	
Education Background	: Bachelor of Electrical Engineering, Kasetsart University Master of Information System University of Colorado U.S.A.	
Director Training	: Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	
Current Position	: Non-Executive Director (Authorized Director) Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 972,665 shares (0.74%)	
Relationship with executives or shareholder	: Grandchildren of Mr. Pong Chinthammit Senior Executive Vice President and Vice Chairman of Executive Board	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Executive Vice President	Prachuab Industry Company Limited	
Executive	K.C. Agriculture Company Limited	
(b) Name of other registered companies : None		
(c) Name of business that may lead to conflict of interest : None		

Name	: Mr. Dhanadol Sujiphinyo	
Age	: 46 Years Old	
Nationality	: Thai	
Education Background	: Bachelor Degree of Marketing, California State University at San Bernariono (BA). Master Degree of Marketing & Management, Mercer University Atlanta, U.S.A.	
Director Training	: Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD)	
Current Position	: Non-Executive Director Thai Sugar Terminal Public Company Limited and its subsidiaries	
Shareholding	: 1,320,370 shares (1.00%)	
Relationship with executives or shareholder	: None	
Director's / Executive's Position in other company		
(a) Name of non-registered companies that currently hold the position		
Managing Director	Jomtien Garden Resort Hotel, Pattaya	
(b) Name of other registered companies		
Director	T S Flour Mill Public Company Limited	
Member of Nominating and Remuneration Committee		
(c) Name of business that may lead to conflict of interest : None		

Name	: Ms. Jutatip Arunanondchai
Age	: 42 Years Old
Nationality	: Thai
Education Background	: BSC. in Mathematics with Management, Imperial College, University of London, UK. MBA in International Management University of Exeter, UK. MBA in Architectural Interior Design, University of Wales, UK MBA in MA Business Law, Chulalongkorn University.
Director Training	: 1. Certificate of Monitoring the Internal Audit Function (MIA 5/2009) 2. Certificate of Monitoring the System of Internal Control and Risk Management (MIR 6/2009) 3. Certificate of Monitoring Quality of Financial Reporting (MFR 9/2009) 4. Certificate of Audit Committee Program (ACP 26/2009) 5. Certificate of Director Accreditation Program (DAP 78/2009) 6. Certificate of Monitoring Fraud Risk Management (MFM 6/2011) Thailand Institute of Director (IOD)
Current Position	: Independent Director and Member of Nomination and Remuneration Committee Thai Sugar Terminal Public Company Limited and its subsidiaried
Shareholding	: 52,800 shares (0.04%)
Relationship with executives or shareholder	: None
Director's / Executive's Position in other company	
(a) Name of non-registered companies that currently hold the position	
Director	Net get jet company limited
Executive Director	Ratchaburi Sugar Company Limited
Director	Chiang Mai Night Bazaar
(b) Name of other registered companies	
Audit Committee/Independent Director	Union Plastic Public Company Limited
(c) Name of business that may lead to conflict of interest : None	



Name	: Mr. Suphsorn Chayovan
Age	: 76 Years Old
Nationality	: Thai
Education Background	: Bachelor of Animal Science, Kasetsart University. Master Degree of Food Science & Nutrition, Brigham Young University. Philosophy Doctor Degree of Technology and Food Science, University of Louisiana U.S.A.
Director Training	: 1. Certificate of Director Accreditation Program (DAP 77/2009) 2. Certificate of Director Certificate Program (DCP 112/2009) Thailand Institute of Director (IOD)
Current Position	: Executive Director Thai Sugar Terminal Public Company Limited
Shareholding	: None
Relationship with executives or shareholder	: None
Director's / Executive's Position in other company	
(a) Name of non-registered companies that currently hold the position	
Managing Director	T S Oil Industry Company Limited
Director	T S Warehouse Company Limited
Director	T S G Asset Company Limited
Director	T S Transport and Logistics Company Limited
(b) Name of other registered companies	
Executive Director	T S Flour Mill Public Company Limited
(c) Name of business that may lead to conflict of interest : None	



Name	: Mr. Charnkrij Dejvitak
Age	: 39 Years Old
Nationality	: Thai
Education Background	: Master Degree of Business Administration, West Texas A&M University U.S.A. Master Degree of Field of Leadership Ethics and Good Organization, Saint Edward's University U.S.A. Philosophy Doctor Degree of Business Administration, Touro University International U.S.A.
Director Training	: Certificate of Director Accreditation Program (DAP 79/2009) Thailand Institute of Director (IOD)
Current Position	: Executive Director Thai Sugar Terminal Public Company Limited
Shareholding	: None
Relationship with executives or shareholder	: None
Director's / Executive's Position in other company	
(a) Name of non-registered companies that currently hold the position	
Executive Director	T S Oil Industry Company Limited
Executive Director	T S Warehouse Company Limited
Executive Director	T S G Asset Company Limited
Executive Director	T S Transport and Logistics Company Limited
(b) Name of other registered companies	
Managing Director	T S Flour Mill Public Company Limited
(c) Name of business that may lead to conflict of interest : None	



**Executive Summary**

Thai Sugar Terminal Public Co., Ltd performs the transportation and logistics business : goods loading, harbour, and warehouse rental. The company and its subsidiary are in the adjacent area; there are wheat flour factory, sack weave factory and Palm Oil Refinery Plant some area under construction for palm-oil distillation. The area is located in Sum-Rong Klang district, Amphur Prapadaeng, Samudprakarn with 150 rai 2 ngan and 77 square wah. The company core business are consisted of product loading (such as raw sugar, white sugar, and molasses for main product), warehouse for product preservation before loading up to the ocean liner, moreover; it has been used to rent out for product storage (such as rice , oil, and other agricultural products before loading up to the marine, or transfer for internal distribution.

The company has five subsidiaries of the company by the subsidiary companies operate in a different. The performance ended December, 31 2012. The total income of the business 2,476.36 baht¹ net profit 127.96 million baht. The summary profit from each company are as below :

1. Thai Sugar Terminal Public Co., Ltd.	: good loading and wharf service business ;	255.88	million baht	or	8.03	% of gross income.
2. T. S. Warehouse Co., Ltd.	: warehouse business service ;	104.91	million baht	or	3.30	% of gross income.
3. T. S. Flourmill Public Co., Ltd.	: wheat flour factory business ;	1,034.24	million baht	or	32.50	% of gross income.
4. T. S. G. Asset Co., Ltd.	: real estate rental business ;	15.44	million baht	or	0.49	% of gross income.
5. T. S. Transportation and Logistics Co., Ltd.	: sack weave factory, product transportation, and security service business ;	73.83	million baht	or	2.32	% of gross income.
6. T. S. Oil Industry Co., Ltd.	: palm oil distilled factory business;	1,698.74	million baht	or	53.36	% of gross income.
Total income :		<u>3,183.04</u>	million baht	Total	<u>100%</u>	of gross income

Note: Income is not less transactions

At present the authorized capital is 132,000,000 baht (One Hundred and Thirty Two million baht) : common stocks is 132,000,000 shares (One Hundred and Thirty Two million shares) par value is 1 baht, paid-up share capital 131,999,970 shares (One Hundred and Thirty One million Nine Hundred Ninety Nine Thousand Nine Hundred and Seventy shares) or 131,999,970 baht (One Hundred and Thirty One million Nine Hundred Ninety Nine Thousand Nine Hundred and Seventy baht) ,total asset 3,557.58 million baht, total liability 1,669.95 million baht, and shareholder's equity 1,887.63 million baht.

The company turnover is always in positive rank , and bear dividend for shareholder . The company has been performed under good governance, effective internal control , and giving out the business information to the shareholder and general investor.



Information

1. Basis Data

Name	Thai Sugar Terminal Public Company Limited
Initials	TSTE (Stock Exchange of Thailand)
ACN.	0107537001692
Business Type	Freight services to the fleet. Rent a warehouse and wharf
Website	www.tstegroup.com
Year of Establishment	1976
The first day of trading	13 July 1990
Stock Exchange of Thailand	
Office and warehouse	90 Moo 1, Poochaosamingphrai Rd., Samrongklang, Phrapradaeng, Samutprakarn
Capital	132,000,000 บาท (One hundred thirty two million Baht)
Paid	131,999,970 บาท (One hundred and thirty one million nine hundred nine thousand nine – hundred and seventy Baht) Consisting of 131,999,970 ordinary shares
Par value	Ordinary shares at 1 Baht
Preference share	None
Period	1 January - 31 December

Headquarters

Location	90 Moo 1, Poochaosamingphrai Rd., Samrongklang, Phrapradaeng, Samutprakarn
Phone	0-2183-4567 (10 Automatic)
Fax	0-2183-4561 and 0-2183-4562
E-mail	t_s_t_e@yahoo.com

Office of the Corporate Secretary

Telephone	0-2183-4567 etc. 1031
Fax	0-2183-4562
E-mail	arunee@tstegroup.com

2. References

Share registrar	Thailand Securities Depository Co.,Ltd..
Location	No.62, The Stock Exchange Building Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone	0 2229-2800 0-2229-2879
Fax	0 2359-1259 0-2654-5642 0-2654-5645
E-mail	contact.tsd@set.or.th
Website	www.tsd.co.th



Auditor Sam Nak Ngan A.M.C. Co., Ltd. By
Mr.Aumpol jumnongwat Certified Public Accountant No. 4663 and / or
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Mr.Opas Sripornkijachorn Certified Public Accountant No.4740

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Pathumwan, Bangkok 10330

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1. Risk Factors

The company services on warehouse rent, including more cargo fleet, product loading and port and which has to look after the goods since it was transported in, sent to preserved warehouse then delivered into the marine. For the customer and other relevant party benefits, the company are strictly to giving out the best service for customers which will return on more customers are impressed in our services and resulted in more dividend for the shareholders. The risk factors that can be effected to the performance, and turnover of the company in the ordinary situation are :

1 Warehouse Management Risk

As the company's business has warehouses for sugar depository as it waits to be loaded onto the vessel, and to be leased out to subsidiary such as (TS Flour Mill Public Company Limited) for rent storing raw materials such as wheat for distribution. TS Oil Industry Company Limited leases the warehouse for loading various types of oil reducing the area for sugar depository service, and T S Transport and logistics Company Limited rent to improve the production of sacks ,plastic packaging. Make the services available to reduce the sugar a chance to do luggage and cargo businesses. So in the year 2012, the company had upgraded and repaired all the damaged part of the warehouse and improve the storage of the original rubber asphalt is poured concrete to be ready for more product depository both the bag and bulk and to compensate for the part of the warehouse that was upgraded for subsidiary to rent for business operation. and to compensate for the part of the warehouse that was upgraded for subsidiary to rent for business operation and to compensate for the part of the warehouse that was upgraded for subsidiary to rent for business operation.

2 Consumers' confidence regarding product's safety

As the trend of consumers' behavior is focused on hygiene, safety, and zero contamination of the product because sugar is more frequently used as cooking ingredient, the company's operation may be affected if consumers' confidence in terms of the company's product safety is reduce due to the risk that the product may be contaminated or product storage is not up to standard, as well as product transfer system onto the vessel or loading of product into containers to be delivery to buyers.

Therefore, to reduce the risk in terms of the impact on consumers' confidence regarding food safety, the company pays great attention to standard procedure by controlling the quality of every step in the production to deposit and deliver to the client ensure safety of the company's products that are suitable for making the products for consumption, coordinating, monitoring, and controlling transportation which sampling error for quality is inspected both in and out in order to be accepted by customers who are the product owners, and product receivers.

3 Risk factor from credit provision to customers

The subsidiary operating palm oil refinery business provides the process of credit risk management from the initial process to the final process. Moreover, there is the development for reflecting the risks appropriately and enhancing efficiency of responding customers' needs. The credit management emphasizes on the decision from current, transparent, and standardized data, including the appropriate credit approval process which is suitable for customers and in consistent with the business nature of each company. The Company efficiently sets the price based on risks proposes for an approval to authorized persons, including follows up the status of customers consistently.

4 Risk factor from liquidity

Since the Company and its subsidiaries operate the business in the same area and with the same Board of Directors, the funding for running the business is very essential. Risk factor from liquidity is the risk that the Company fails to comply with any obligations as due period. This is because the Company is unable to provide enough cash and appropriate cost for responding the requirement within the specified period which probably results to damages.

The main objective of liquidity risk management is to ensure that the Company has sufficient level of liquidity to support the requirements of business operation under the appropriate management cost. The Company provides the efficient, flexible, and suitable system of liquidity risk management, including appropriate structure of asset and liabilities and the control of liquidity risk level to be under the risk appetite, with appropriate management cost.



2. Business Characteristic

History and development of the company and its subsidiary

Thai Sugar Terminal Public Company Limited had been founded in 1976 by sugar industrialists which is consisted of 9 sugar factory. The previous name was The Thai Sugar Terminal Corporation Co., Ltd., with 93 rai of warehouse and pier service then expanded to 150 rai 2 ngan 77 square wah for sugar preservation. At that time the warehouse nearby the Chao Praya River, 32 warehouses and 3 port, was planned to be the hub for sugar factory members then in year 1977, Thai Sugar Warehouse Co., Ltd and Thai Sugar Transportation had been founded; in year 1978, Thai Sugar Silo Warehouse Corporation Co., Ltd. had been founded. Therefore; when there were more new non-member factory; Sugar Silo Warehouse Co., Ltd and T. S. Warehouse Co., Ltd had been founded in year 1983 and 1887 in consecutive. They were sugar warehouse for pile raw sugar. The Thai Sugar Terminal Corporation Co., Ltd. registered in The Stock Exchange of Thailand on dated 13 July 1990 and became public company in year 1994 in the name of " Thai Sugar Terminal Public Co., Ltd. " registered no. 0107537001692 until present.

In 2001, 3 subsidiaries : Thai Sugar Warehouse Co., Ltd., Thai Sugar Silo Warehouse Co., Ltd., and Sugar Silo Warehouse Co., Ltd. had returned warehouse license to the Office of Warehouse Business Promotion and Cool Storage, Ministry of Commerce. To reduce the redundant documents in warehouse business, there was then only T S Warehouse Co., Ltd. to operate warehouse service business. The subsidiaries had been changed their names and core business for more variety.

In 2006, Thai Sugar Warehouse Company Limited increased authorized capital from THB 10 million to THB 200 million to operate wheat flour production factory, and changed its name to TS Flour Mill Company Limited. The operation started in June 2007. The company increased authorized capital by another THB 200 million to THB 400 million, which Thai Sugar Terminal Public Company Limited holds 98.82 percent of the shares. Later, in February 2010, the authorized capital was reduced to THB 200 million in order to apply to be registered in MAI market, which Thai Sugar Terminal Public Company Limited holds 98.82 percent of the shares. Later in June 2010, the company had been privatized to public company limited under the name "TS Flour Mill Public Company Limited (TMILL), and an approval was given to change share value from originally THB 100 per share (ONE HUNDRED BAHT) to THB 1 per share (ONE BAHT), and to increase authorized capital by another THB 85 million from originally THB 200 million to make up the new authorized capital of THB 285 million by issuing 85 million new common stocks worth THB 1 each to support new common stocks offering to general investors for the registration in Market for Alternative Investment and approved as a listed company on the Market for Alternative Investment in November 2012 when the Thai Sugar Terminal Public Co., Ltd. currently holds 69.35 percent.

Thai Sugar Silo Warehouse Corporation Co., Ltd. to T. S. G. Asset Co., Ltd. with 50 million baht authorized capital (paid-up authorized capital and Thai Sugar Terminal Public Co., Ltd. hold 79.78 percent share) operates the apartment service , 9-storeyed and 262 rooms, which is located at Soi Erawan Singthor, Pu Chao Saming Phai Rd., Amphur Prapadaeng, Samudprakarn; now 95 percent are rent out all of the rooms. In 2009, a new apartment with 45 rooms was built in the company property at Soi Siam Silo Pu Chao Saming Phai Rd., Amphur Prapadaeng, Samudprakarn, and rent out in 3rd quarter of year 2009. There are currently 100 percent full tenant occupancy.

Sugar Silo Warehouse Co., Ltd. to T S G Property Co., Ltd. with 30 million baht authorized capital paid-up authorized capital and Thai Sugar Terminal Public Co., Ltd. hold 62.07 percent share operates in property development business. It is located at Amphur Sampan, Nakornpathom. Townhouse and commercial building construction for sale. In December 2009 had changed to T S Oil Industry Co., Ltd., And to increase the registered capital of 170 million baht to 200 million baht, Thai Sugar Terminal Public Co., Ltd. holds 94.31 percent, to be a palm oil factory to consumer. Later in the year 2012 registered capital to 600 million baht, which owns 97.48 percent.



In 2007, Thai Sugar Transportation Co., Ltd. had changed its name to T. S. Transportation and Logistics Co., Ltd. In 2007 and with 50 million baht authorized capital (former only 5 million baht) and Thai Sugar Terminal Public Co., Ltd. hold 77.44 percent share. The company business is wheat flour transportation for its subsidiary, T S Flourmill Co., Ltd. In year 2008, the company rent Thai Sugar Terminal Public Co., Ltd.'s warehouse and it was built to be the plastic sack factory, the packaging for sugar factory, wheat flour factory, also agricultural product, fertilizer, and etc. for outside customer. The production and distribution were started in October 2008, then in 2009 the authorized capital was up to 30 million baht to install additional equipment. The current capital of 80 million Baht and Thai Sugar Terminal Public Company Limited hold 85.90 percent share.

T S Warehouse Company Limited incorporated in 1987 with a registered capital of 50 million Baht by Divided into 500,000 ordinary shares of 100.- Paid Baht 25 per share.- Amount to Baht 12,500,000 Baht. The Thai Sugar Terminal Public Co., Ltd. hold 62.60 percent of the share capital, warehouse business deposit products and raw sugar bulk and white sugar bag waiting for the transport fleet.

Major Events in 2012

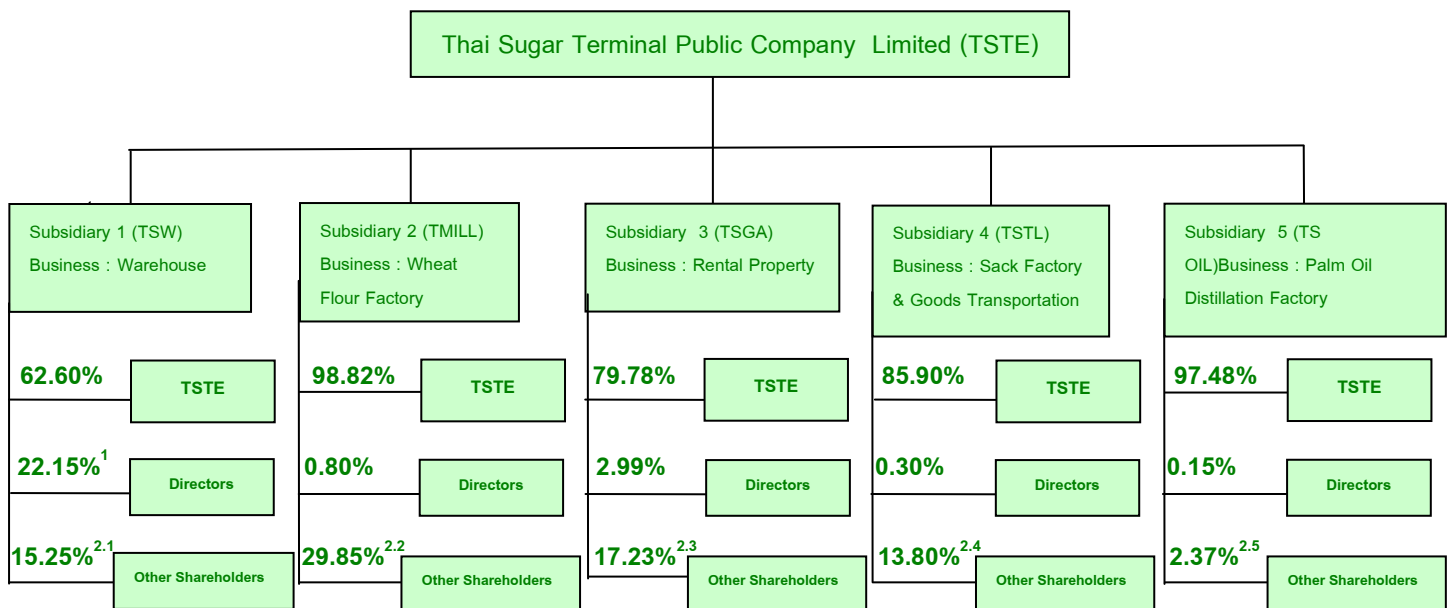
Thai Sugar Terminal Public Company Limited holds more than 90 percent of each subsidiaries' shares, except for TS Warehouse Company Limited (62.60 percent) since the Company must comply with the condition of Silo, Warehouse, and Cold Storage Business Promotion Group, Market Promotion and Development Division, Department of Internal Trade, Ministry of Commerce regarding directors' shareholding which determine the Board of Directors to hold the total shares at least 1/5 of the registered capital. As a result, the report of major events in 2012 also includes the following important events of both the company and its subsidiaries.

- | | |
|----------------|--|
| April, 2012 | The Annual General Shareholders' Meeting No. 1/2012 which was held on April 26, 2012, had an unanimous resolution to pay dividend to shareholders at the rate of THB 0.24 per share (TWENTY FOUR SATANG), totaling THB 31.68 million, which was paid on May 25, 2012. |
| May, 2012 | T S Oil Industry Co., Ltd. (Subsidiary) increased the 400 million Baht of registered capital from the original amount of 200 million Baht, totaling 600 million Baht. Issuing the new ordinary shares in an amount of 4 million shares at 100 Baht each caused the change to the current proportion of Thai Sugar Terminal Public Company Limited from 94.31 percent to 97.48 percent. |
| June, 2012 | <p>Board of Director's Meeting approved to purchase 3 plots of lands from external individual unrelated to the Company or executive directors of the Company in order to expand the area. As a result, the Company currently possesses the land area of 150 Rai 2 Ngan 77 Square wah in total.</p> <ol style="list-style-type: none">1. The land area of 2 Rai 48 Square wah, valuing 19,080,000 Baht (Nineteen million eighty thousand Baht) was sold by Mrs.Kim Boontia2. The land area of 11 Rai 34 Square wah, valuing 66,000,000 Baht (Sixty six million Baht) was sold by Mrs.Sunee Thamthaworanich and Mr.Som Pariyawat3. The land area of 13 Rai 1 ngan and 63 Square wah, valuing 62,000,000 Baht (Sixty two million Baht) was sold by Bank of Ayudhya Public Company Limited |
| November, 2012 | T S Flourmill Public Company Limited, TMILL(subsidiary), was approved by the Office of the Securities and Exchange Commission (SEC) to trade ordinary shares in the MAI Stock Exchange by issuing 85 million new ordinary shares and selling to the original shareholders of Thai Sugar Terminal Public Limited Company based on the pre-emptive right at the Company's ordinary share ratio 5.2069 shares (Par value of 1.00 Baht) per 1 new share (Share value of 1 Baht) of T S Flourmill Public Company Limited. The subscription price of 3.10 Baht per a new ordinary share was set out so that the pre-emptive right of the Company in its subsidiary decreased from 98.82 percent to 63.95 percent, or a dilution effect of 29.82 percent. |

December, 2012

Board of Director's Meeting No.14/2555, which was held on December 27, 2012, had an unanimous resolution to approve the construction project of commercial building and townhouse for sale on the land area of 11 Rai 34 Square wah, located in Soi Mahawong. This is the method for adding value to the land and also make a profit to the Company since this land is situated near Poojaosamingprai Road and connected with the sky train station which is under construction from Bearing station to Samrong Terminal Samutprakarn.

Share Holding in Subsidiaries as on 31 December 2012



Note : 1. T S Warehouse Co., Ltd. held 22.15 percent of the stock company under the Ministry of Commerce. The condition of the company's warehouse, 1992, stated that the director of operations. Warehouse must hold not less than one-fifth of the shares listed.

2. Other Shareholders of subsidiary are:

2.1 T. S. Warehouse Co., Ltd. (TSW)

Other Shareholders	% of Stock	Committee/ Executive Concernment
Mitr Kaset Industry Co., Ltd	14.15	There is Mr. Narong Jenlarpuwattanakul as Co- Committee
Mun Kong Siam Business Co., Ltd.	1.05	There is Mr. Chanachai Chutimaworaphan as Co- Committee
Kumphawapi Sugar Co., Ltd.	0.05	None
Total other shareholders	15.25	

2.2 T. S. Flourmill Co., Ltd. (TMILL)

List and trading on the Market for Alternative Investment (MAI) by Thai Sugar Terminal Public Co., Ltd. Currently holds 69.345 percent, remaining 30.655 percent of the director and shareholders whose names appear in The Thailand Securities Depository Co., Ltd.

2.3 T S G Asset Co., Ltd. (TSGA)

Other Shareholders	% of Stock	Committee/ Executive Concernment
Prachuap Industrial Co., Ltd.	5.11	There are Mr.Pong Chinthammit ,Mr. Win Chinthammit as Co- Committee
Mitr Kaset Industry Co., Ltd.	5.04	There is Mr.Narong Chenlarpwatanakul as Co- Committee
Khon Kaen Sugar Industry Public Company Limited	4.10	There are Mr. Prapas Chutimaworaphan, Mr. Charat Chinthammitr, and Mr. Somchai Chinthammitr as Co- Committee
Munkong Siam Business Co., Ltd.	1.07	There is Mr. Chanachai Chutimaworaphan as Co- Committee
Mrs. Araya Arunanonchai	1.04	None
Mr. Chai Arunanonchai	0.52	None
Mr. Surajak Ruangasuk	0.17	None
Mrs. Punlap Ruangasuk	0.17	None
Kumphawapi Sugar Co., Ltd.	0.01	None
Total other shareholders	17.23	

2.4 T S Transport and Logistics Co., Ltd. (TSTL)

Other Shareholders	% of Stock	Committee/ Executive Concernment
Khon Kaen Sugar Industry Public Company Limited	10.13	There are Mr. Prapas Chutimaworaphan, Mr. Charat Chinthammitr, and Mr. Somchai Chinthammitr as Co- Committee
Man Khong Siam Business Co., Ltd.	2.63	There is Mr. Chanachai Chutimaworaphan as Co- Committee
Mitr Kaset Industry Co., Ltd.	0.54	There is Mr. Narong Jenlapwattanakul as Co- Committee
Prachuap Industry Co., Ltd.	0.25	There are Mr. Phong Chinthammitr and Mr. Win Chinthammitr as Co- Committee
Total stock of 16 Shareholders	0.25	None
Total other shareholders	13.80	

2.5 T S Oil Industry Co., Ltd. (TS OIL)

Other Shareholders	% of Stock	Committee/ Executive Concernment
Mitr Kaset Industry Co., Ltd.	1.00	There is Mr. Narong Jenlapwattanakul as Co Committee
Prachuap Industry Co., Ltd.	0.26	There are Mr. Phong Chinthammitr and Mr. Win Chinthammitr as Co- Committee
Khon Kaen Sugar Industry Public Company Limited	0.62	There are Mr. Prapas Chutimaworaphan, Mr. Charat Chinthammitr, and Mr. Somchai Chinthammitr as Co- Committee
Mr. Chai Arunanonchai	0.10	None
Mr. Surajak Ruangasuk	0.03	None
Mrs. Punlap Ruangasuk	0.03	None
Man Khong Siam Business Co., Ltd.	0.16	There is Mr. Chanachai Chutimaworaphan as Co Committee
Mrs. Araya Arunanonchai	0.16	None

Subsidiary Businesses

1. T S Warehouse Co., Ltd. TSW Company Registered No. 0105530047784

Registered in 1987 with 50 million baht authorized capital : there are 5000,000 common stock at par value 100 baht; 25 baht per par had been paid up (12.50 million baht) Thai Sugar Terminal Public Co., Ltd. hold 64.13 percent of authorized capital.

The committee hold 20.61 percent of T S Warehouse Co. Ltd. stock due to the Ministry of Commerce Proclaim in Warehouse Business Control Term & Condition 1992 that the committee of the warehouse business must hold 1 / 5 of authorized capital.

There is a warehouse for 65,000 ton of pile sugar and a 50 kgs. white sugar sack in the area of 8,767 square meters which rent from Thai Sugar Terminal Public Co., Ltd. For both companies have the lists for warehouse rent, property rent, loading, and service ; the service fee is calculated in fair price and same as general customer.



T S Warehouse Co., Ltd possesses the certificates according to Ministry of Commerce Proclaim in Warehouse Business Control Term & Condition 1992 ;

1. Goods deposit service for compensation or others.
2. Issue loan to the depositor (consider goods as a warrantee) for interest or other.
3. Cold storage for goods preservation for compensation or other.
4. Plant dehydration, peel cracking, selection, mix or other process for compensation or other.
5. Purchase, sell, exchange, rent, rent-out, hire-purchase, loan, mortgage, pawning for warehouse business benefit.
6. Import, export, transportation and other customs processes may arrange the insurance for the goods

according to the goods storage contract.

7. The benefit must be used in buying the Security of Thai Government, or Government Organization, or State Enterprises at least 15 percent of paid-up capital and company reserved fund; and invested (less than 15 percent of paid-up capital and company reserved fund) in other company stock by the committee approval. However, total investment must not be over 30 percent of paid-up capital and company reserved fund.

There are various licenses.

1. Warehouse License was issued by the Office of Warehouse Business Promotion , Department of Internal Trade, Ministry of Commerce No. 1/1987, indefinite license, but the company has to follow by the Warehouse Business Control Term & Condition 1992 :

- Make a monthly report on goods category & quantity in-out .
- Do a goods check list twice a year (in June and December)
- Make an annual report of business operation and financial sheet to Director-General of Department of Internal Trade, Ministry of Commerce.
- Prepare in-out goods check book at the office for inspection at all time.

2. Factory License from Department of Industrial Works, Ministry of Industry registered no. 3-2(5)-3/36 SorPor which is valid for 5 years from 1 January 2013 – 31 December 2017. This for sugar preservation and transportation with machine and transmission belt system for export.

3. Factory License from Department of Industrial Works, Ministry of Industry registered no. 3-2(5)-4/36 SorPor which is valid for 5 years from 1 January 2013 – 31 December 2017. This for sugar preservation and transportation with machine and transmission belt system for export.

4. License as a health hazard from the Municipality Poochao samingprai. Registration number at age 1 year 811/2012 from the date of August 24, 2012 until August 23, 2013 warehouse space exceeds 1,000 square meters.

BOI

- None –

**2. T S Flourmill Co., Ltd. (TMILL)** : company registered no. 0105520001455

The company was registered in 1977 (previous name is Thai Sugar WarehouseC., Ltd.) with 10 million baht authorized capital : there are 1000,000 common stock at par value 100 baht. There was 2,880 square meters warehouse for 30,000 ton of pile goods. Warehouse and sold them to the Thai Sugar Terminal Public Company Limited in May 2010.

In 2005, TMILL increased authorized capital to THB 200 million which is divided into 2,000,000 common stocks worth THB 100 each to build wheat flour production factory, and changed its name to TS Flour Mill Company Limited. In August, 2007, TS Flour Mill Company Limited increase authorized capital to THB 400 million which is divided into 4,000,000 common stocks worth THB 100 each to be used as working capital in wheat flour business operation, and in February 2010, the authorized capital was reduced to THB 200 million in order to apply to be registered in MAI market, which Thai Sugar Terminal Public Company Limited holds 98.82 percent of the shares. Later in June 2010, the company had been privatized to public company limited under the name "TS Flour Mill Public Company Limited (TMILL), and changed share value from originally THB 100 per share (ONE HUNDRED BAHT) to THB 1 per share (ONE BAHT), and increased authorized capital by another THB 85 million from originally THB 200 million to make up the new authorized capital of THB 285 million by issuing 85 million new common stocks worth THB 1 each to support new common stocks offering to general investors for the registration in Market for Alternative Investment (MAI), Thai Sugar Terminal Public Co., Ltd. currently holds 69.345 percent.

There are various licenses.

1. Factory License from Department of Industrial Works, Ministry of Industry : registered no. 3-9(2)-4/50 SorPor which is valid for 5 years from 31 January 2011 – 31 January 2016 for wheat flour reform business.

2. Transport or Import Food into the Kingdom License from the Office of Public Health, Samudprakan : registered no. 11-4-01150 which is valid for 3 years from 1 January 2013 - 31 December 2015 according to the article 15 in the Act of Food 1979 for imported food distribution.

3. Food Production License From the Office of Public Health, Samudprakan : registered no. 11-2-00151 which is valid for 3 years from 5 January 2011 -31 December 2013 according to the article 14 in the Act of Food 2009 for food production.

4. Armament Possession License from Armament Office, Ministry of Defence : registered no. 6004/2009 which is valid for 1 year from 18 May 2012 – 17 May 2013 according to the Act of Armament Control 1987 for the possession of liquid chlorine (concerned as armament)

5. Halal Mark Permission Certificate from Islamic Chairman Office, Samudprakan (HALAL) : The central Islamic Council of Thailand registered no. KorAorTor. HorLor. B131/2008 which is valid for 1 year from 5 June 2012 – 4 June 2013 for guarantee the products of T S Flourmill Public Co., Ltd.

6. GMP and HACCP Certificate No. TH08/1704 and TH08/1703 in a row : from SGS (Thailand) Co., Ltd. which is valid for 3 years from 24 June 2011 – 24 June 2014 with quality check in every 6 months. This will guarantee the quality of T S Flourmill Public Co., Ltd. 's wheat flour.

7. ISO 22000:2005 Certificate from SGS (Thailand) Co., Ltd. : certificate no. GB08/75218 which is valid for 3 years from 16 July 2011– 16 July 2014 with quality check in every 6 months. This will guarantee the Food Safety Management System of T S Flourmill Public Co., Ltd.

8. Health Hazard Business License From the Municipality Poochao samingprai : Registration number at age 1 year 651/2012 from 28 June 2012 - 27 June 2013 for ensure that the operation must not cause nuisance.

9. License for personal transportation with goods or items transporting vehicle : from Department of Land Transport, registration number SorPor.Bor.160/2550 which is valid for 5 years from 16 March 2012 to 15 March 2017 for the company's transportation (bulk truck).



10. THS24000 : Certificate from Thailand Halal Standard from Halal Development and Product Testing Center : which is valid for 2 years from 1 November 2011 to 30 October 2013. to ensure that the T S Flourmill Public Co., Ltd. was conducted according to the principles of Islam correctly.

BOI

- None -

3. T S G Asset Co., Ltd. (TSGA) ; company registered no. 0105521016901

The company was registered in 1978 (previous name was Thai Sugar Silo Warehouse Corporation Co., Ltd.). In 2001 later after return the warehouse license and the name had been changed to T S G Asset Co., Ltd. with 50 million baht authorized capital in February 2007 (paid-up authorized capital and Thai Sugar Terminal Public Co., Ltd. hold 79.78 percent share) ; there was 500,000 stock at par value 100 baht.

T S G Asset Co., Ltd. operates the apartment service with original asset : the sugar pile warehouse space 6,250 square meters capacity 55,000 ton for T. S. Warehouse Co., Ltd. rental . In 2005 the company had bought the 262 rooms apartment, which is located in Soi Erawan Singthor, Pu Chao Saming Phai Rd., Amphur Prapadaeng, Samudprakarn; now 90 percent are rent out. The later In 2009, a new apartment with 45 rooms was built in the company property at Soi Siam Silo Pu Chao Saming Phai Rd., Amphur Prapadaeng, Samudprakarn, and rent out in October 2009. The present two current residential tenants have 95 percent of all rooms.

There are various licenses.

1. Factory Certificate from Ministry of Industry registered no. 3-2(5)-1/36 SorPor which is valid for 5 years from 1 January 2012 - 31 December 2017 as there is the sugar transportation system connect to the company warehouse.

2. Operator License ; registered no. 040651000100 and 0406510000999 from National Broadcasting and Telecommunication Commission which is indefinite license since 5 September 1997 for sugar dispersion control.

3. Health Hazard Business License (TSGA 1) From the Municipality Poochao samingprai. Registration number at age 1 year 667/2012 from 21 June 2012 - 20 June 2013 for operate the 262 room hotel.

4. Health Hazard Business License (TSGA 2) From the Municipality Poochao samingprai. Registration number at age 1 year 893/2012 from 8 October 2012 - 7 October 2013 for the apartment of 45 rooms business.

BOI

- None -

4. T S Transport and Logistics Co., Ltd. TSTL company registered no. 0105520002486

The company was registered in 1977 (previous name was Thai Sugar Transportation Co., Ltd. with 5 million baht authorized capital, 50,000 shares at par value 100 baht, only 1.25 million baht paid-up capital. All 5 million baht paid-up capital was completed in year 2007 with 2 percent of authorized capital was hold by Thai Sugar Terminal Public Co., Ltd. In 2008, the Shareholder Extraordinary Meeting 1/ 2008 on dated 11 January 2008 had the consensus to increase the capital to 50 million baht . and transfer the right in the increased shares reservation of the original shareholder to Thai Sugar Terminal Public Co., Ltd. in order to invest more in plastic sack and sack weaving factory. At present Thai Sugar Terminal Public Co., Ltd. hold 77.44 percent of authorized capital and plastic sack production start its performance in October 2008 onwards. In the year 2009 capital increase amounting to 30 million baht registered capital of 80 million baht, the Thai Sugar Terminal Public Company Limited holds 85.90 percent.

There are various licenses.

1. Factory License from Ministry of Industry : registered no. Jor 3-53(4)-36/51 SorPor which is valid for 5 years from 1 January 2013 – 31 December 2017 for plastic sack production.



2. Irregular Route Transportation by animal or goods loading vehicle from Department of Land Transport; registered no. SorPor. 25/2008 which is valid for 5 years from 6 June 2008 - 5 June 2013 for its subsidiary product transportation.

3. Health Hazard Business License From the Municipality Poochao samingprai. Registration number at age 1 year 718/2012 from 12 July 2012 - 11 July 2013 for the woven bag machines.

BOI

- None -

5. TS oil industry Co., Ltd. (TS OIL) company registered no. 0105526040126

The company was registered in 1983, (previous name was Sugar Silo Warehouse Co., Ltd.) with 30 million baht authorized capital (paid-up authorized capital and Thai Sugar Terminal Public Co., Ltd. hold 62.07 percent share) operates in property development business. It is located at Amphur Sampan, Nakornpathom. Townhouse and commercial building construction for sale. In December 2009 had changed to T S Oil Industry Co., Ltd. with 200 million baht authorized capital and renamed TS Oil Industry Co., Ltd by Thai Sugar Terminal Public Co., Ltd. hold 94.31 percent share to do the palm oil distillation for consumption. It is expected to start its operation in 2nd quarter of year 2009 and In May 2012 the registered share capital of Baht 400 million baht today to 600 million baht by has the Thai Sugar Terminal Public Co., Ltd. holds 97.48 percent.

There are various licenses.

1. Factory License from the Ministry of Industry ; registered no. 3-7(4)-1/52 SorPor which is valid for 5 years from 8 March 2010 – 31 December 2014 for palm oil distillation and producing plastic bottle for its delivery content.

2. Control Business License 3rd type ; location of fuel storage from Department of Energy Business ; registered no SorPor 001/2010 which is valid for 1 year from 12 January 2013 – 12 January 2014 for gasoline (fuel oil) storage.

3. Health Hazard Business License From the Municipality Poochao samingprai. Registration number at age 1 year 1209/2010 from 30 September 2012 - 29 September 2013 for the engage in the type of vegetable oil, Oil plant.

4. Licensed food. Samut Prakan of Public Health. Registration number 11-2-00653 age 3 years from the date of 26 November 2012 – 31 December 2015 to be allowed to produce food for sale under Section 14 Act. Food Act 1979 and a place to store food. Specified in the permit.

5. Certificate, use the Halal certification. Registration number KorAorTor.HorLor. B536/2010. By the Office of the Central Islamic Committee. In Thailand, aged 1 year from the date of 5 April 2012 – 4 April 2013 to allow the method correctly. Use the principles of Islamic Halal.

6. Kosher Certificate From Thai Kashrut Services Ltd. aged 1 year from the date of 1 April 2012 – 14 March 2013. To be certified to food standards Jews. (Kosher Dietary Law)

7. ISO 22000:2005 From SGS (Thailand) Co., Ltd. Registration number GB10/81733 aged 4 year from the date of 7 November 2010 – 7 November 2013 (Re-cert. Before 15 September 2013) To be certified to standards of food safety. (Food Safety Management System)

8. GMP (Good Manufacturing Practice) From SGS (Thailand) Co., Ltd. Registration number TH10/5339 aged 4 year from the date of 7 November 2010 – 7 November 2013 (Re-cert. Before 15 September 2013) Accreditation criteria for a good method for manufacturing.

9. HACCP (Hazard Analysis and Critical Control Point System) From SGS (Thailand) Co., Ltd. Registration number TH10/5340 aged 4 year from the date of 7 November 2010 – 7 November 2013 (Re-cert. Before 15 September 2013) To be approved Hazard Analysis and Critical Control Point.



10. RSPO Membership (Ordinary type) Member No. 2-0187-10-000-00 From RSPO (Roundtable on Sustainable Palm Oil) aged 1 year from the date of 20 September 2012 – 20 September 2013. To be approved Hazard Analysis and Critical Control Point.

11. Certificate, use the Halal. Registration No. 169/2010 Raja, Big C of the Halal brand. Committee's job is one year from the date of 5 April 2012 until 4 April 2013 to ensure that the product has been produced for sale to consumers under the conditions required for Halal certification.

12. Certificate, use the Halal. Registration No. 169 (2) / 2010 Big C brand of Islamic Affairs. Committee's job is one year from the date of 22 August 2012 until 21 August 2013 to ensure that the product has been produced for sale to consumers in full. Conditions for Halal.

13. Permit the use of waste materials outside the plant. .5401-6394 A registration number from the Department of Industrial Works Ministry of Industry is one year from the date of 31 August 2011 until 21 August 2012 for waste materials that are not used outside the factory.

14. RSPO Supply Chain Certification System No. 2-0187-10-000-00 aged 5 year from the date of 21 November 2012 – 20 November 2017 To ensure that the RSPO oil is used in the production process.

15. THS24000 : Certificate from Thailand Halal Standard No. 111201210010 from Halal Development and Product Testing Center, which is valid for 2 years from 11 January 2012 to 11 January 2014. to ensure was conducted according to the principles of Islam correctly.

16. License for personal transportation with goods or items transporting vehicle from Department of Land Transport : registration number SorPor.Bor. 153/2553 which is valid for 5 years from 29 March 2010 to 28 March 2015 for the company's transportation (bulk truck).

Relationships between customer and the company & its subsidiary (T S Warehouse Co., Ltd.)

Thai Sugar Terminal Public Company Limited has warehouse service for the goods before loading up to the ocean liner or for internal distribution. With the total space of 124 rai and 98 square wah : there are 3 ports , 27 warehouses,space for 170,000 ton of sack and 2 molasses buckets with 24,000 ton of capacity. The main products that request these services are sugar, molasses, rice, oil, and other agricultural product. It is considered as the biggest warehouse in Samudprakan area.

According to the company core business, the major clients are sugar exporter and sugar factory (sugar pile and sugar pack). Other customer is the warehouse rental customer; they are both importer and exporter of rice, wheat, tapioca flour, lumber, and oil (for consumption and for other purposes). T S Warehouse Co., Ltd. 's major customer is sugar factory that preserve the sugar for export: Thai Sugar Terminal Public Co., Ltd. will load the goods while the T S Warehouse Co., Ltd. is the goods preservation.

Each business in the company and its subsidiary is mutually support each other in strategy for the flexible operation and expansion. The management will plan the strategy for each business connection and benefit to gain the most effective outcome.

Warehouse business have to concern many limitations, for example the major income must come from goods storage then the subsidiary has to rent the warehouse for goods sack from the mother company because its warehouse was for pile goods. The main revenue of the mother company are goods loading, warehouse rental, port, goods weighing, goods carrier, and others. The network group of companies are operated under mutual benefit , and the law has termed that the committee must hold at least 1/5 of all shares, therefore; the committee in the mother company and its subsidiary almost the same. The subsidiary is automatically controlled by the mother company.

**Capital Investment of Subsidiary**

As on 31 December 2012

Company	Business	Authorized Capital (million baht)	Paid-up capital (million baht)	Share (%)	Cost of Capital	Capital Value	Other Shareholder with more than 10% of of stock
TS Warehouse Co., Ltd.	Warehouse & goods storage	50	12.50	62.60	10.073 million baht	77.887 million baht	Mitr Kaset Industry Co., Ltd. ¹
T S Flourmill Co., Ltd.	Wheat flour factory and property rental	285	285	69.35	197.794 million baht	380.874 million baht	-
T S G Asset Co., Ltd.	Property rental and service apartment	50	50	79.78	40.611 million baht	75.311 million baht	-
T S Transport and Logistics Co., Ltd.	Plastic sack package, goods transportation ,and security service	80	80	85.90	68.718 million baht	69.323 million baht	Khon Khen Sugar Co., Ltd. ²
T S Oil Industry Co., Ltd.	Palm oil distillation	600	500	97.48	488.544 million baht	378.762 million baht	-

Subsidiary's Shareholder more than 10 percent share

1. Mitr Kaset Industry Co., Ltd, The company holds a warehouse Co., Ltd. 14.15 percent sugar factory, is located on 93/1 Moo. 9, Saeng Chu Toh Rd., Don Kamin District, Amphur Tha Maka, Kanchanaburi. There is Mr. Narong Jenlapwattanukul as an director in Mitr Kaset Industry Co., Ltd. and an Executive Director in Thai Sugar Terminal Public Co., Ltd. and its subsidiary.

2. Khon Kaen Sugar Industry Public Company Limited The company holds Transport and Logistics Limited 10.13 percent is located on 9th floor, K.S.L Tower building, no. 503 Sri Ayutthaya Rd., Kwang Praya Thai, Khet Racha Thaevi, Bangkok 10400 and the factory on 43 Moo 19 Numphong-Kanuan Rd., Amphur Numphong, Khon Kaen 40140; the sugar factory for export and internal consumption by Mr. Prapas Chutimavoraphand Mr. Chalush Chinthammit Mr. Somchai Chinthammit The committee in Khon Kaen Sugar Industry Public Company Limited and Thai Sugar Terminal Public Company Limited and its subsidiaries.

Revenue from Profit & Loss Statement

(Unit : Thousand Baht)

Revenue Structure by Business Type	Year 2010		Year 2011		Year 2012	
	Value	%	Value	%	Value	%
Service business						
Loading and service	58,375	3.18	146,655	6.21	195,607	6.27
Preservation & store	25,440	1.39	53,952	2.28	67,909	2.18
Warehouse rent	21,500	1.17	15,202	0.64	12,589	0.40
Service apartment	7,677	0.42	8,248	0.35	9,101	0.29
Total of service business	112,992	6.16	224,057	9.48	285,206	9.14



Revenue Structure by Business Type	Year 2010		Year 2011		Year 2012	
	Value	%	Value	%	Value	%
Business sales						
Business wheat plants	898,604	49.02	897,788	38.00	1,034,244	33.15
Palm oil mill business	780,372	42.57	1,158,206	49.02	1,690,836	54.20
Plastic bag factory business	21,510	1.17	39,486	1.67	51,964	1.67
Total sale revenue	1,700,486	92.77	2,095,480	88.70	2,777,044	89.20
Real estate sales	2,265	0.12	23,000	0.97	8,860	0.28
Other income						
Money exchange profit	4,326	0.24	2,998	0.13	2,484	0.08
Other income	12,974	0.71	16,966	0.72	45,974	1.47
Total other income	17,300	0.94	19,964	0.85	48,458	1.55
Total revenue	1,833,043	100.00	2,362,501	100.00	3,119,568	100.00

NOTE : Item between Organization unit were deducted.

Business Target of the Subsidiary

The management has planned the business development for effective loading and more variety of product loading (not only for raw sugar and white sugar). Moreover, the company has also planned the business development for the subsidiary ;

- T S Flourmill Co., Ltd. , wheat flour factory, operated in 2nd quarter of 2007 with 35 percent current capacity is the average percentage from 70 to 75.

- T S G Asset Co., Ltd. The room occupancy rate of the second after at least 95 percent.

- T S Transport and Logistics Co., Ltd. : In order to increase sales capacity Polypropylene packaging. Sales to major customers such as sugar and flour mills and agricultural customers include rice, fertilizer, feed sacks of sand. And other medical transport services to the customers using the company's long history.

- T S Oil Industry Co., Ltd., was constructed in 2009 to be the palm oil distilled factory and due to begin in late as May 2010.

And started make a profit in 4Q 2011 and promote the market for palm oil products, "RAJA" to be recognized and accepted. Customer markets, wholesalers, retailers and food industry customers.

3.Business Operation

3.1 Freight services and services for rent warehouse wharf

In the year of production 2011/2012 sugar cane into the chest through a number of 97.980 million tons, an increase of the production year 2010/2011 of 2.621 million tons were 2.75 percent The output of 10.251 million tons of sugar each with a yield as white sugar, the amount of 3.744 million tons. 6.400 million tons of raw sugar and sugar to 0.107 million tons is also a by-product of such. Molasses and another 4.390 million tons of Thai Sugar Terminal Public Company Limited to provide the service of unloading the vessel. Rent a boat dock. The products available for rent. Services sack waiting to transport goods to other countries or for delivery to the domestic distribution, the company has facilities to provide the following services.

A. Warehouse

Warehouse No.	Space (square meters)	Total space (square meters)
1 – 2	1,650	3,300
3	825	825
4 – 9	1,650	9,900
10 – 12	1,650	4,950
13	2,063	2,063
14	4,500	4,500
15	2,194	2,194
16	2,082	2,082
17	1,969	1,969
18	1,857	1,857
19 - 20	1,688	3,376
21 - 22	1,575	3,150
23	2,250	2,250
24	2,250	2,250
25 – 26	1,513	3,026
27 – 29	1,800	5,400
30	2,800	2,800
31 – 32	1,500	3,000
33	1,312	1,312
34	1,188	1,188
35 – 36	2,250	4,500
37	1,940	1,940
38	2,000	2,000
39	4,000	4,000
Total : 39 warehouses	Total space	73,832 square meters

- NOTE :**
- Warehouse No.10 – 13 (4 units) has been rent out to T. S. Flourmill Co., Ltd. (subsidiaries) for wheat flour factory.
 - Warehouse No.14 has been rent out to T. S. Transport and Logistics Co., Ltd. (subsidiaries) rent and install equipment to use operating business manufacturing plastic packaging bags.
 - Warehouse No.17 – No.23 (7 units) has been rent out to T. S. Oil Industry Co., Ltd (subsidiary) for operating business palm oil distilled and fill-up factory building.

B. Molasses Tank ; The current wait for delivery there are 2 buckets with 24,000 metric ton capacity, and molasses transfer station with quality analysis lab. The total area is 2,470 square meters and 4 tanks of liquid storage with total capacity 40,000 ton to T S Oil Industry rent crude palm oil in the store room.

C. Pier ; 3 Wharfs (No.16A, 16B, 16C), total length is 357 meters, space 5,655 square meters (can serve 2 ocean liner with 12,000 ton each at the same time)

D. Barge (pontoon boat) ; total 3 ships, capacity 3,700 tons, The service transports sugar and other agricultural products to unload the fleet at deep seaport.

E. Free space for goods rental ; 8,504 square meters

F. Weighhouse and 2 weight transmission belts ; weigh up to 80 ton in the area of 474 square meters.

G. Truck parking ; Area of 9,000 square meters parking for 100 cars.

Amount of service in 2012 and 2011

Service	2012	2011
Warehouse rental space (square metres)	49,717	49,717
Service area (%)	72.69	85.89

NOTE : The warehouse space has decreased from a year ago due to higher sugar bag who are decreased 5.232 percent.

Pile goods warehouse rental space	2012	2011
Storage capacity: service space	165,000	165,000
Product use current average (%)	454.15	575.01

NOTE : The warehouse space has decreased from a year ago due to higher sugar bulk who are decreased 21.02 percent.

Type and Quantity of Goods

Unit : metric ton

Goods	2012	%	2011	%
Raw Sugar	749,343	63.53	948,766	69.28
White Sugar	239,153	20.28	252,355	18.43
Molasses	130,717	11.08	133,612	9.76
Rice	8,138	0.69	7,571	0.55
Sai	14,382	1.22	-	-
Timber	842	0.07	-	-
Oil palm	21,171	1.80	24,384	1.78
Oil	5,350	0.45	-	-
Acid palm oil.	10,349	0.88	2,802	0.20
Total	1,179,445	100.00	1,369,490	100.00

Target Customer

The Company is the primary customer is the sugar factory, which is a member of the Executive Committee and the shareholders of the company. Other lead parts are the sugar factories, which is independent of traders, suitable factory cargo come such factories in the North, North-East, Central. The company's exports as the station, the property is close to the province of Samut prekan, located near deep sea Pier in Laem Chabang, Si Racha, Chonburi province, and Ko sichang.

For sugar factory in middle part, Rachaburi, Kanchanaburi, will came to the ring road freight industry. The transportation is convenient, fast and cost savings for our customers even more. The quantity of sugar to use a specific product only. Other agricultural crops will benefit from the convenience of transportation as well, and to support the product.

To enter into a service company. To improve both the service and cargo handling to be much faster. The convenience and benefits to customers and to encourage the use of our products better.

In addition, the Company, To find other groups, I used to waiting for delivery or service through the port, including corn, wheat starch, MSG, oil, steel coil, wood and other renewable products from the sugar industry in the production off the chest of sugar and gradually handed over to a foreign country.

Service and Marketing Policy

1. Good service are fast, convenience, and effectiveness.
2. Enough space and facilities for customer.
3. Look after and store the goods under the customer condition strictly and guard for customer goods.
4. Inform about goods and service to the customer.
5. Prepare customer service system for customer ; effectively respond to the customer complaint.
6. Maintain the machine and space for service at all time.

Quotation Policy

Due to the price of wharf business has been controlled by the Office of the Maritime Promotion Commission, Ministry of Transport and Communications. Which control the rate and type of service. Compared to the same standards as the port. Port the product. The rental equipment. Freight rates for the main raw sugar and white sugar. And warehouse. Serving of sugar transport. The service at the same rate as agreed between the warehouse and factory output in the company and under supervision of Office of the cane and Sugar Board. I try to keep the cost of services while maintaining the quality of services and seek improved services ways to maximize the benefits to our customers continuously.

If you fail to comply with any agreement with the Company will notify the customer to jointly find solutions and to prevent damage that may occur.

Industry Competition

At present, warehouse business trend is very well due to the government support The various operators and improvements both in agricultural and industrial sectors to export more and In 2015 ASEAN Community fully operational expected rate of growth of the business in the future to move up the hierarchy. The factors supporting export in the spool and tans loading firm, the current path is still a major freight transport. The business of cargo handling and port growth as well.

Trends in the supply of marine products to be large in order to be able to get more in each trip to save time and money as well. However, although the number of vessels which entered products to current and future fleet size is not all. However, the need to transport large quantities of medium and small size, it also has a high rate as well. In 2012, the Company purchased a barge of 3700 ton capacity 3 ships to transport goods from the warehouse to the Fleet at Ko Si Chang and / or the Gulf of Thailand to the Company can increase the amount of product that is used a lot. At the same time the sugar transportation has been changed (previously the sugar from factory will be preserved in the warehouse for then loading to the marine) ; the container van will fetch the goods from factory and directly send to the port in eastern part . Therefore, there is highly competition for the warehouse in Samutprakan and nearby province, Ang Thong. Nevertheless, the company try to subsidize by other products.

The factor that help the company in this competitive area is good location. The company warehouses are adjacent to Chao Praya River with the effective service and facility management without the cost of moving multiple chips. Maintenance and storage facility to maintain quality of the customer is in good condition from the time until delivery. The use of mechanical devices that can effectively work with the fast pace and schedule.

Warehouse for preservation and loading to the ocean liner :

Samudprakan (located on Chao Praya River bank)

1. Thai Sugar Terminal Public Co., Ltd.
2. Mittr Phol Warehouse Co., Ltd.
3. Thai Ruam Thun Warehouse Co., Ltd.

Ang Thong (located on Chao Praya River bank)

1. Ruam Kij Ang Thong Warehouse Co., Ltd.
2. Ang Thong Sugar Terminal Co., Ltd.
3. Ang Thong Warehouse Co., Ltd.

Sugar factory in lower north-eastern and eastern who send goods to warehouse in Sri Racha, Chonburi are:

1. Kerry Siam Seaport Co., Ltd.
2. Ao Thai Warehouse Co., Ltd.

Sugar in Ang Thong warehouse, normally be ship to Samudprakan with small boat, the more than 20,000 ton marine will go to Chonburi warehouse.

License, patent, and condition

1. Wharf License (16A, 16B, 16C) from Ministry of Transport and Communications registered no. 009/2012 010/2012 and 011/2012 which is valid for 1 year from 30 March 2012 – 29 March 2013. the operation must be performed under the conditions :

1. It is prohibited to throw the leftover, trash, waste, filth, contaminated water, oil-contaminated water, bilge water, and chemical to the water and place waste container sporadically in the premises.
2. The company has to prevent the product drop, or dispersion and clean the wharf and ditch consistently in order to prevent blocked trash. "Do not throw the litter " signboard should be pinned for all employee acknowledgements.
3. Carefully sweep of the waste; not sweep the litter into the river.
4. Clean the fat filter pond and contaminated water pond at least twice a month.
5. Make a water quality check at all water ditch point on pH, BOD, Suspended Solid และ Grease Oil and Ammonia- Nitrogen (Nh-N) in every 3 months then report to the Office of Marine Transport, Ministry of Transport and Communications.
6. Follow –up the environment criteria according to the environment effect study report.
7. Abide by other relevant law.

2. Factory License from the Office of Industrial Factory , Ministry of Industry ; registered no. 3-2(5)-1/39 SorPor which is valid for 5 years from 1 January 2011 – 31 December 2015 for Transfer to the deposit and molasses into the fleet. This requires installation of manholes and pump molasses storage tank and pump from the tank when I unload the delivery pipe to the ocean. The dam is surrounded by cars of molasses storage tanks, all with a solid material to accommodate the volume of sugar that may overflow or leak from the tank. Not less than one-fourth of the total volume of the tank (6 tanks total capacity of 64,000 metric tons).

3. Ocean Wharf License from the Office of Marine Transport, Ministry of Transport and Communications ; registered no. 15/2010 which is valid for 5 years from 18 October 2010 - 17 October 2015 for ocean wharf business with space and facility. The operation must be performed in concerning to the environment with monthly report specify the statics of the marine, goods type, goods quantity. Annual report to specify the warehouse, wharf, tool, and facility condition.

4. License as a health hazard. From the Municipality Poochaosamingprai. Registration number at age 1 year 716/2012 from the date of 12 July 2012 – 11 July 2013 warehouse space exceeds 1,000 square meters.

BOI

- None –

Undelivered Task

- None -

3.2 Wheat Flour Factory Business of Subsidiary (T S Flour Mill Co. Ltd.)

Thai Sugar Terminal Public Company Limited is subsidiary , Thai Sugar Warehouse Co., Ltd., had increased the authorized capital from 10 million to 200 million baht in 2006 then had changed its name to T S Flour Mill Co., Ltd wheat plants to operate and add another 200 million venture capital from 400 million in 2007. The company operated the wheat factory and received the HALAL certificate from Islamic Committee, Samudprakan on dated 5 June 2008 and ISO 22000:2005 /GMP/HACCP certificate from SGS on dated 17 July 2008 and reduce the capital down to 200 million in February 2010 following the month in June 2010 was transformed into a public company, using the word "T S Flour Mill Public Company Limited and the capital is 285 million and In November 2012, the company registration in The Stock Exchange Alternative Investment.

From June 2007 to present, T S Flour Mill Public Company Limited has started the wheat flour production and distribution, the whole wheat grain was imported to mill to flour for the food industrial entrepreneur. The wheat flour has been made to bread, fresh noodle, instant noodle in the food industry and to make bakery, cookie, snack, and many pastry for retail entrepreneur. Moreover, there is wheat bran (by- product material) to sell to animal food industry. The pile-product warehouse business is also performed, as there was the asset from original business.

Distribution Product Type

1. Wheat flour with high protein (13 – 14 percent) and high gluten for high quality bread.
2. Wheat flour with low protein (7 -9 percent) for steamed stuff bun, Thai sweetmeat , Thai sponge cake, éclair, moji, jamroll, egg sponge cake.
3. Wheat flour for Chinese and Japanese style noodle.
4. Multi-flour wheat with moderate protein (10-11 percent) for noodle, deep fried dough stick, Indian food made of flour, cake, cookie, soybean baked cake, egg sponge cake, Thai sponge cake, pancake, waffle, steamed stuff bun, and fried snack.
5. Wheat flour for being ingredient in animal food such as shrimp, fish, and dog.

Distribution Channel

There are 3 channels :

- 1) distributed to the grand industrial factory.
- 2) Distributed to wholesaler or middleman.
- 3) Distributed to retail customers.

3.3 Consumption of palm oil refining business of TS Oil Industry Co., Ltd..(Subsidiaries.)

Nature of Business refining consumption

TS Oil Industry Co., Ltd. is a subsidiary of Thai Sugar Terminal Public Company Limited has increased its registered capital from Baht 30 million to 200 million in the year 2009 to operate. Refining consumption. By being encouraged to invest in the manufacture of pure vegetable oil and / or semi-virgin oil from the Board of Investment (BOI) on 25 August 2009 under the promotion certificate No. 1657 (2) / 2009.

TS Oil Industrial Co., Ltd. began producing oil and palm oil sales types. Under "RACA" from May 2010 onwards by the main raw material used in the production of crude palm oil is in the whole country from the south and east of Thailand. The import is done in case of shortage of local raw materials only. And must be imported through the PWO The Association of refining the allocation of quotas to members in proportion to the amount of product purchased in the country.

Production processes and products are ;

Process	Raw material	Capacity	products are ;
Bleaching and refining	Crude Palm Oil : CPO	400 Ton / Date	RBD Palm Oil : RPO Acid and palm stearin (PFAD) derivative.
Separate eggs	RBD Palm Oil : RPO	300 Ton / Date	Palm oil in processed olefins. And palm stearin stearic Prince (Stearin: RS) is a byproduct

Distribution channels

1. Sector (Industry), such as plant food, animal feed and chemicals, soap, oil, etc..
2. The department store (Modern Trade), such as Big C, Makro etc.
3. Wholesalers (Wholesale) such as Sa Yi Pua Pua etc.
4. The end user (End User) such as restaurants, bakery and hotel etc.

Model packaging distributors

1. liter bottles packing carton (12 bottles per carton).
2. 1 liter bag packing carton (12 bags per carton).
3. bucket with 18 liters and 13.75 liters size.
4. bag in box (Bag in Box) with 18 liters and 13.75 liters size.
5. plastic (Drum) 200 liters.
6. Car size 12-13 ton single tank car and tank trailers Size 26-30 tons.

Standards that have been certified.

1. mark certification ISO 22000: 2005 No. GB10/81733.
2. marker GMP Certification No. TH10/5399.
3. mark HACCP Accreditation No. 10/5340.
4. Halal Certification Mark No.KorAorTor.HorLor. B536/2553 (Muslim standard).
5. Kosher certification mark. (Jewish food standards).



4. Properties Used in the Business Operations

4.1 Main Fixed Assets

No.	Asset (Type / Location)	Area	Type of Ownership	Book Value	Contingent Liability
1	Land and Improvements of the Company and its subsidiaries consist of : - Land of Thai Sugar Terminal Public Company Limited, Poo Jao Saming Prai road, Sam Rong Klang, Phra Pra Daeng, Samut Prakarn - Land of TSG Asset Company Limited, Poo Jao Saming Prai road, Sam Rong Tai, Phra Pra Daeng, Samut Prakarn - Land of T S oil industry Company Limited, Bang Chang, Sam Pran, Nakhon Pathom	124-0-98 (Rai – Ngan – Square Wah) 13-1-63 11-0-34 2-0-48 8,676 (Square Meters) 24.90 (Square Wah)	Owner Owner Owner Owner Owner Owner	700,924,338.29 70,962,791.00 66,000,000.00 19,080,000.00 19,230,000.00 190,593.68	Guarantee the credit received from financial institutions. ^{1/} Guarantee the credit received from financial institutions. ^{1/} - Guarantee the credit received from financial institutions. ^{2/} -
	Total			876,387,722.97	
2	Building, Construction, and Renovation, namely, commercial building for rent, apartment for rent, port and others Thai Sugar Terminal Public Company Limited T S Warehouse Company Limited T S G Asset Company Limited T S Oil Industry Company Limited T S Flour Mill Public Company Limited T S Transport and Logistics Company Limited		Owner Owner Owner Owner Owner	66,955,387.33 4,824,965.68 52,633,187.39 128,487,982.80 87,138,015.42 7,073,821.61	Guarantee the credit received from financial institutions. ^{1/} - Guarantee the credit received from financial institutions. ^{2/} Guarantee the credit received from financial institutions. ^{6/} Guarantee the credit received from financial institutions. ^{3/} Guarantee the credit received from financial institutions. ^{5/}
	Total			347,113,360.23	



No.	Asset (Type / Location)	Area	Type of Ownership	Book Value	Contingent Liability
3	Machinery, Tools and Equipment Thai Sugar Terminal Public Company Limited T S Warehouse Company Limited T S G Asset Company Limited T S Oil Industry Company Limited T S Flour Mill Public Company Limited T S Transport and Logistics Company Limited		Owner Owner Owner Owner Owner Owner	1,233,001.09 6,699,524.49 215,071.50 344,919,840.04 230,461,224.66 67,674,863.36	- - - Guarantee the credit received from financial institutions. ^{6/} Guarantee the credit received from financial institutions. ^{4/} Guarantee the credit received from financial institutions. ^{5/}
	Total			651,203,525.14	
4	Furniture and Office Equipment Thai Sugar Terminal Public Company Limited T S Warehouse Company Limited T S G Asset Company Limited T S Oil industry Company Limited T S Flour Mill Public Company Limited T S Transport and Logistics Company Limited		Owner Owner Owner Owner Owner Owner	801,525.41 17,640.67 33,175.46 3,564,715.36 1,259,207.71 230,540.25	- - - - - -
	Total			5,906,804.86	
5	Automobiles Thai Sugar Terminal Public Company Limited T S Warehouse Company Limited T S Flour Mill Public Company Limited T S Transport and Logistics Company Limited T S Oil industry Company Limited T S G Asset Company Limited		Owner Owner Owner Owner Owner Owner	22,564,041.06 2,850,640.08 7,723,824.71 210,511.08 7,254,317.07 1.00	- - - - - -
	Total			40,603,335.00	
	Total			1,921,214,748.20	

Remarks: In 2012, the Company and its subsidiaries had changed their accounting policy relating to the record of land account in the part presented in the account of land, building, and equipment from the cost to the new estimated cost in order to be in correspondence with the accounting policy of the parent company. Directors of the Company deemed that such accounting policy was more appropriate to the current situation and operation of subsidiaries. This resulted to the increase of the total asset as of December 31, 2011 and January 1, 2011 in the consolidated financial statement in an amount of 490.66 million Baht, which was the same amount in both years. In addition, the specific financial statement also increased in the same figure.

^{1/} Land, Title Deed No. 319, 321, 324, 326-7, 329, 358, 360-1, 391, 812, 820, 5568, 6502, 8051, 9081, 21847, 24100, 24811, 26948, 28881-91, 28893-5 and 64261 with warehouse of Thai Sugar Terminal Public Company Limited for guarantee of the credit received from financial institutions of 750 Million Baht

^{2/} Land, Title Deed No. 236400, 236401, 236402 with apartment for rent of TSG Asset Company Limited with the book value of 56,153,875.57 Baht for guarantee of the credit received from financial institutions of 40 Million Baht

^{3/} Factory Building in the wheat flour factory of TS Flour Mill Company Limited for guarantee of the credit received from financial institutions of 65 Million Baht

^{4/} Machinery of TS Flour Mill Company Limited for guarantee of the credit received from financial institutions of 385 Million Baht

^{5/} Factory Building in the plastic sack factory and machinery of TS Transport and Logistics Company Limited for guarantee of the credit received from financial institutions of 85 Million Baht

^{6/} The 46 million baht credit limit and 327 million baht for palm oil machines from a financial institute had been guaranteed by T S Oil Industry Co., Ltd.'s building.



4.2 Assets that are not used for Business Operations

As of December 31, 2012, the Company had properties unused in the business operation, which were 2 new lands purchased during 2012 in the area of 13 Rai 1 Ngan 63 Square wah, valuing 70.96 million Baht and the area of 2 Rai 48 Square wah, valuing 19.08 million Baht.

A subsidiary had property unused in the business operation having the net accounting value of 5,442,042.98 Baht which is the building of wheat flour factory for expanding productivity in the future.

5. Legal Dispute

In 2012 Thai Sugar Terminal Public Company Limited and its subsidiaries have had no legal disputes that may impact the properties or performance of business operations.

6. Capital Structure

Registered Capital

Consists of common shares of 132,000,000 shares with the value of 1 Baht per share and the total amount of 132,000,000 Baht.

Paid-Up Capital

Consists of common shares of 131,999,970 shares with the value of 1 Baht per share and the total amount of 131,999,970 Baht. *

Note * according to the consensus of the Annual General Meeting of Shareholder 1/2009 on dated 30 April 2009; Resolve the members had approved to yield dividend stock at the ratio 10 :1 (stock fraction will be excided). The company had been approved to increased the authorized capital ; 120 million baht (common stock 120 million stock with 1 baht par value); for 12 million baht (12 million new common stock) for dividend stock. when calculated there were 30 stock fraction; therefore, the company had decided to reserved the right of all shareholder, the paid- in common stock was 131,999,970 stock with 1 baht par value, or equal to 131,999,970 baht.

Company's Contingencies Regarding the Issuance of Shares in the Future

- None-

Dividend Payment Policy

Dividend Payment Policy of Thai Sugar Terminal Public Company Limited

The company has the policy to pay the dividend at the rate of at least 50 percent of the net profit after corporate tax and legal reserve. If there are no other necessary causes and such dividend payment does not impact the operations of the company and its subsidiaries. Such dividend payment shall consider various factors such as performance, financial status, liquidity, and business expansion plan, etc.

When the Board of Directors had the resolution to approve the annual dividend payment, it shall be approved by the shareholders' meeting, except the payment of interim dividend since such interim dividend payment shall be approved by the Board of Directors and shall report to the next shareholders' meeting.

**History of Dividend Payment**

Thai Sugar Terminal Public Company Limited					
Date of Dividend Payment	Annual Performance	Net Profit (Baht)	Earnings per Share (Baht)	Dividend Payment Rate (Bath/Share)	Amount (million Baht)
2011	2010	67,652,201	0.51	0.24	31.68
2012	2011	68,742,237	0.52	0.24	31.68

In 2011 the Annual General Meeting of Shareholders No. 1/2011 on the 28 April 2011, the Company has agreed that the need for working capital decreases and then unanimously approved the company dividend for the year 2010 to the shareholders at Baht 0.24 per share (twenty-four cent) the total amount of 31.680 million baht.

In 2012 the Annual General Meeting of Shareholders No. 1/2012 on the 26 April 2012, the Company has agreed that the need for working capital decreases and then unanimously approved the company dividend for the year 2011 to the shareholders at Baht 0.24 per share (twenty-four cent) the total amount of 31.680 million baht.

Dividend Payment Policy of Subsidiaries

For the dividend payment of subsidiaries, each subsidiary has to consider the dividend payment when such company (subsidiary) has moderate profit and does not pay the dividend in case of losses. In additions, the dividend payment is considered from the remaining cash flow compared with the investment budget of such subsidiary. If the remaining cash flow of the subsidiary is sufficient and the subsidiary has already set the legal reserve, such subsidiary shall consider the dividend payment on a case-by-case basis.

The dividend payment of subsidiaries to the company shall be in accordance with the company's regulation Re : Dividend Payment and shall be approved by the shareholders' meeting. The payment can be done on a case-by-case basis when the company can generate profits, but in case that the company faces losses, the dividend payment shall be prohibited until the company's situation has been resolved. In additions, before paying dividend, shall allocate the legal reserve of at least 20 percent of the profit until the amount of such reserve is at least 10 percent of the company's registered capital.

Major Shareholders during the past years ended on 31 December 2012 and 2011

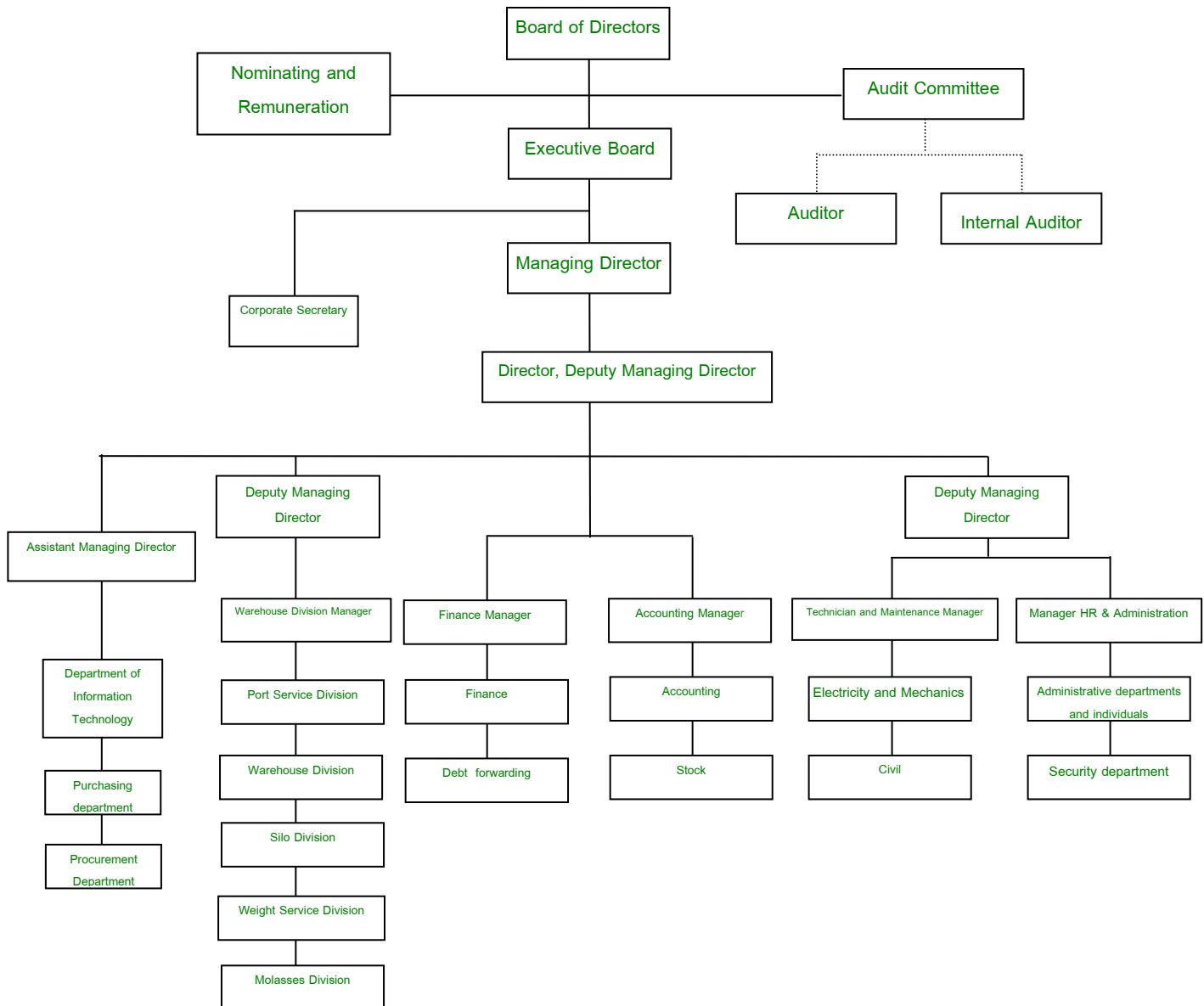
No.	Name of Shareholders	2012		Name of Shareholders	2011	
		Number of Shares	%		Number of Shares	%
1	Khon Kaen Sugar Industry Pcl.,Ltd.	31,439,760	23.82	Khon Kaen Sugar Industry Pcl.,Ltd.	31,439,760	23.82
2	Mr.Chanachai Chutimavoraphand	24,173,680	18.31	Mr.Chanachai Chutimavoraphand	28,873,680	21.87
3	Prachuab Industry Co., Ltd.	12,826,440	9.72	Prachuab Industry Co., Ltd.	12,826,440	9.72
4	Mrs. Yaowanuch Dejvitak	10,778,200	8.16	Miss Yaowanuch Chutimavoraphand	10,778,200	8.16
5	Miss Yaowaluk Chutimavoraphand	9,368,690	7.10	Ratchaburi Sugar Co.Ltd.	5,544,000	4.20
6	Ratchaburi Sugar Co.Ltd.	5,544,000	4.20	Mitr kasetr Co., Ltd.	5,518,999	4.18
7	Mitr kasetr Co., Ltd.	5,518,999	4.18	Miss Yaowaluck Chutimavoraphand	4,668,690	3.54
8	Mrs. Boonprom Chinbhilas	2,349,600	1.78	Mrs. Boonprom Chinbhilas	2,349,600	1.78
9	Mr. Prapas Chutimavoraphand	2,198,968	1.67	Mr. Prapas Chutimavoraphand	2,198,968	1.67
10	Mrs. Patcharee Chinthammit	1,369,998	1.04	Mrs. Patcharee Chinthammit	1,369,998	1.04
11	Other shareholders	26,431,665	20.02	Other shareholders	26,431,665	20.02
	Total number of shares	131,999,970	100.00	Total number of shares	131,999,970	100.00

7. Management

The company management structure is consist of Board of Director, with 4 particular assistant groups : Board of Directors, Audit Committee, Nominating and Remuneration Committee and Risk Management Committee and Executive Committee under the control of Managing Director as the top executive management in accordance with the resolution and the approval of the Board of Directors.

The details are as followings:

7.1 Management Structure



Note : Auditor and the external auditor's independence for the audit of the account and audit practices within the organization, including the adequacy of the internal control systems of the company and it's subsidiaries.

7.2 Board of Directors and Committees

7.2.1 Board of Directors : Thai Sugar Terminal Public Company Limited according to the Memorandum of Association of Ministry of Commerce on 7 December 2012. It consists of 15 members as follows.

- 6 Executive Directors
- 4 Non-executive Directors
- 5 Independent Directors

Names of Board of Directors of Thai Sugar Terminal Public Company Limited Include :

No.	Name of Board of Directors	Position	Period
1	Mr. Pricha Attavipach	Chairman and Independent Director	April 2011 – April 2014
2	Mr. Prapas Chutimavoraphand	Managing Director and Chairman of Executive Board	April 2012 – April 2015
3	Mr. Pong Chinthammit	Deputy Managing Director and Vice Chairman of Executive Board	April 2010 – April 2013
4	Mr. Chanachai Chutimavoraphand	Executive Director	April 2012 – April 2015
5	Mr. Narong Chenlarpwatanakul	Executive Board	April 2012 – April 2015
6	Mr. Chadej Insawang	Chairman of Audit Committee and Independent Director	April 2010 – April 2013
7	Mr. Suang Ruangsook	Member of Audit Committee and Independent Director	April 2010 – April 2013
8	Mr. Nisakorn Parkpean	Member of Audit Committee and Independent Director	April 2010 – April 2013
9	Mr. Win Chinthammit	Director	April 2011 – April 2014
10	Mr. Chalush Chinthammit	Director	July 2010 – April 2013
11	Mr. Somchai Chinthammit	Director	April 2011 – April 2014
12	Mr. Dhanadol Sujiphinyo	Director	April 2011 – April 2014
13	Miss Jutatip Arunanondchai	Independent Director	December 2011 – April 2014
14	Dr. Suphsorn Chayovan	Director	April 2012 – April 2015
15	Dr. Charnkrij Dejvitak	Director	April 2012 – April 2015

Note : 1. The annual ordinary shareholders' meeting No. 1/2012 on 26 April 2012 had the resolution to appoint the directors who are due to retirement to be re-selected for another term as follows :

1. Mr. Prapas Chutimavoraphand
2. Mr. Chanachai Chutimavoraphand
3. Mr. Narong Chenlarpwatanakul
4. Dr. Suphsorn Chayovan
5. Dr. Charnkrij Dejvitak

Independent Directors

The company provides the definition of "independent director" according to the good corporate governance principle stipulated by the Stock Exchange of Thailand Re: The Structure of Board of Directors to Foster the Company's Good Corporate Governance, and the guideline of the Securities and Exchange Commission in order to generate the confidence among investors and to balance the good management. The company identifies the word "independent director" to be the director who is not responsible for the management of the company, subsidiary, associated company, and the director who is independent from the management and authorized shareholders, and such person shall have no business relationship with the company that may impede the freedom of opinions. The company also identifies the qualification of "independent director" according to the new criteria stipulated by the Securities and Exchange Commission as follows :-

1. Shall be the person who holds the shares of no more than 1 percent of the number of shares eligible to vote in the company, subsidiary, and associated company.
2. Shall not participate in the management, shall not be the employees, workers, full-time advisors, or shall not be the authorized officers of the company, subsidiary, associated company, or shall not be the persons who may have conflict of interest as mentioned above.

3. Shall have no business relationship or not be professional service providers, or auditors that may impede the performance of being the “director”, and shall have no direct or indirect conflict of interest in terms of the finance and management of the company, subsidiary, associate company or persons who may have conflict of interest that may impede the independence when performing the duties.
4. Shall not be close relatives or shall not have other relationship that may impede the independence when performing the duties with high-ranking executives, major shareholders of the company, subsidiary, associated company or persons who may have conflict of interest and shall not be appointed to be the representatives of the directors or major shareholders.

Thai Sugar Terminal Public Company Limited the definition of independent directors in accordance with the minimum requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

Combining or Separating the Positions

The Chairman shall be the independent director who is not the same person as the Chairman of Executive Board, and shall not be the employees or managers of the company. The Board of Directors shall appoint the knowledgeable, proficient, and experienced directors, who are the independent directors, to act as the Chairman responsible for the implementation of specific issues.

Upon accepting the positions as directors and / or independent directors of the company, each director shall obtain the important information about the company and shall realize the regulations mentioning the scope, duties, and responsibilities of the Board of Directors. Such persons shall obtain the recommendations about the laws, rules, and conditions about holding the “director” position in the registered company in the Stock Exchange of Thailand and shall understand the company’s businesses.

The company shall provide the new directors with orientation by attending the training program provided by the Thai Institute of Directors in order to realize the following information.

- (1) Importance of Directors
- (2) Roles of Directors according to Good Corporate Governance principles.
- (3) Duties and Responsibilities of the Directors according to the Law
- (4) Guidelines for Directors to Follow the Law and guideline of the Stock exchange of Thailand and Securities and Exchange Commission.

For the new directors who hold the positions in the Board of Directors, the company shall provide the documents for new directors in order to realize the business policies and the relevant information such as capital structure, shareholders, performance, including the laws and rules, and shall submit the directors’ manual, which is beneficial for the directors of the company, to the directors. The directors’ manual shall consist of :-

1. Public Company Act B.E.2551 (adjusted copy)
2. Guideline for Being the Directors of Registered Companies
3. Business Ethics
4. Memorandum of Association, Objective, and Regulation
5. SEC’s Manuals for Directors of the Registered Companies
6. Related Transactions of Registered Companies
7. Principle of Good Corporate Governance of Registered Companies in 2006
8. Report of the Disclosure of Annual Company’s Information (Latest Version)

The company will arrange the Committee Training by Thai Institute of Directors (IOD) to the committee who has not yet been trained.

Holding Securities of Directors as of 31 December 2012 compared with as of 2011

No.	Name of Directors	Number of Shares (Shares)		Number of Shares Increased (Decreased) during the Year	% of Shares Eligible to Vote
		31 December 2012	31 December 2011		
1	Mr. Pricha Attavipach ^{* 1}	5,400	55,000	(49,600)	0.004
2	Mr. Prapas Chutimavoraphand ²	3,211,658	3,211,658	0	2.43
3	Mr. Pong Chinthammit	-	-	0	0.00
4	Mr. Chanachai Chutimavoraphand	24,173,680	28,873,680	(4,700,000)	18.31
5	Mr. Narong Chenlarwatanakul	-	-	0	0.00
6	Mr. Chadej Insawang [*]	-	-	0	0.00
7	Mr. Suang Ruangsook ^{* 3}	351,120	351,120	0	0.27
8	Mr. Nisakorn Parkpean [*]	178,200	178,200	0	0.14
9	Mr. Win Chinthammit	972,665	972,665	0	0.74
10	Mr. Chalush Chinthammit	66,000	66,000	0	0.05
11	Mr. Somchai Chinthammit	215,090	215,090	0	0.16
12	Mr. Dhanadol Sujiphinyo	1,320,370	1,320,370	0	1.00
13	Miss Jutatip Arunanondchai [*]	52,800	52,800	0	0.04
14	Dr. Suphsorn Chayowan	-	-	0	0.00
15	Dr. Chankrij Dejvitak	10,778,200	10,778,200	0	8.16

Note 1. ^{*} refers to independent committee

1.	Mr. Pricha Attavipach	Shares	0	Stock
	Mrs. Sriwan Attavipach (Spouse)	Shares	5,400	Stock
2.	Mr. Prapas Chutimavoraphand	Shares	2,198,968	Stock
	Mrs. Sumitra Chutimavoraphand (Spouse)	Shares	1,012,690	Stock
3.	Mr. Suang Ruangsook	Shares	271,920	Stock
	Mrs. Prasertsri Ruangsook (Spouse)	Shares	79,200	Stock

Authority of Board of Directors

- The Board of Directors shall be authorized to take care of and manage the company in accordance with the law, objectives, and regulations of the company, including the legitimate resolution of the shareholders' meeting with honesty, integrity, and caution.
- The Board of Directors shall be authorized to appoint any members in the Board of Directors to be the Chairman and shall appoint the Vice Chairman deemed as appropriate.
- The Board of Directors shall be authorized to appoint the Managing Director and Senior Executive Vice President deemed as appropriate.
- The Board of Directors shall be authorized to appoint the Executive Board consisting of the Managing Director, Senior Executive Vice President, and a group of directors to be responsible for managing and operating the company as stipulated by the Board of Directors. The Managing Director shall also act as the Chairman of Executive Board.
- The Board of Directors shall be authorized to appoint a group of directors to be the steering committee responsible for studying and considering various issues and / or recruiting and selecting deemed as appropriate.

The Company shall have the authority to sign on behalf of the company.

- | | |
|-----------------|-------------------|
| 1. Mr.Prapas | Chutimavoraphand |
| 2. Mr.Chanachai | Chutimavoraphand |
| 3. Mr.Pong | Chinthammit |
| 4. Mr.Narong | Chenlarpwatanakul |
| 5. Mr.Win | Chinthammit |
| 6. Dr.Charnkrij | Dejvitak |

By two directors of the six people to sign and seal the joint

Roles, Duties, and Responsibilities of the Board of Directors

1. Take care of and manage the company in accordance with the law, objectives, and regulations of the company, including the resolution of the shareholders' meeting with honesty, integrity, and caution.
2. Identify the policies and direction of the company's operations, and monitor and supervise the management to efficiently and effectively perform according to the policies in order to foster the economic value for the businesses and generate the satisfactory rate of return for shareholders.
3. Control, monitor, and supervise the management of the Executive Board in accordance with the policies, except the following issues that shall be approved by the shareholders before implementation.
 - 3.1 Issues identified by the law that shall receive the resolution from shareholders, meeting.
 - 3.2 Related transactions with the value exceeding 3 percent of the net tangible assets according to the latest consolidated financial statement
 - 3.3 The acquisition or sale of properties with the value exceeding 50 percent of the total assets according to the latest consolidated financial statement.

The following cases shall be approved by the Board of Directors' meeting and shareholders' meeting with the vote of at least three-fourths of all the votes from the shareholders who attend the meeting and are eligible to vote.

- (A) The sale or transfer of the whole or partial company's business.
 - (B) The purchase or acceptance of other company's business or private companies.
 - (C) The preparation, amendment, or revocation of contract regarding the lease of the whole or partial company's business or the assignment of others to manage the company's business or the merger of the company's businesses with others due to the objective of sharing profits and losses.
 - (D) The amendment of memorandum or article of association
 - (E) The increase or decrease of capital, the issuance of bonds, the merger or the dissolution of company
 - (F) Any actions that the Securities and Exchange Act or the Notification of Stock Exchange of Thailand specify that such actions shall be approved by the shareholders' meeting such as the acquisition or sale of assets of the registered companies or related transactions.
4. Consider and Approve the human resource management policies and executive development plan, including the identification of compensation. Recruit, select, and identify the successor of high-ranking executives and evaluate the performance of Managing Director, and ensure that the company has an effective processes in evaluating the performance of high-ranking executives.
 5. Ensure that the company's internal auditors and external audits perform their duties effectively.
 6. Approve the periodic, quarterly, and yearly financial statement and ensure that the financial statement is prepared according to the generally accepted accounting principles.
 7. Arrange the meeting once a month and / or in case that there are some issues that shall be urgently proposed to the Board for consideration, shall be able to arrange additional meeting deemed as appropriate.
 - Identify the important meeting agendas in advance throughout the year such as the agenda for certification, acknowledgement, consideration, or other agendas.
 - Consider various meeting agendas based on the benefits of shareholders and relevant parties.
 - Express the opinions freely.

- Identify sufficient amount of time for considering each agenda, for discussing and expressing the opinions.
 - The Chairman shall control the meeting time properly.
8. Be responsible for the shareholders by providing the communication channels with the company's shareholders or stakeholders.
 9. Have intention, honesty and integrity for business conduct.
 10. The directors may seek experts from several areas for accurate decisions.
 11. The directors shall be knowledgeable, proficient, and experienced in the business operations, shall pay attention to the business of the company they acts as the director.
 12. The Board of Directors shall arrange the shareholders' meeting to be the annual ordinary shareholders' meeting within 4 months from the date of closing the account at the end of the previous year. Other meetings shall be called extraordinary meeting. The Board of Directors is able to arrange the extraordinary meeting at any time deemed as appropriate.
 13. The Board of Directors shall provide the balance sheet and income statement on the ending date of the company and propose to the shareholders' meeting in the annual ordinary shareholders' meeting for approval, and the Board of Directors shall provide the auditors to audit such balance sheet and income statement before proposing to the shareholders' meeting.

Directors' Term in Office

The company's directors shall be appointed to be in the 3 year term so they can continuously work in the position for the company. The term can be changed according to the resolution from the Board of Directors. In case that the directors are due to retirement, the Board of Directors' meeting shall consider the performance of such directors who are due to retirement to recognize whether such directors dedicate their time to performing their roles and duties at their full potential or not. When the Board of Directors considers that such directors are proper, they shall appoint such directors who are due to retirement to be re-selected for another term and shall propose to the shareholders' meeting for approval. If any directors aim to resign from being the company's directors before the expiration of the term of office, they shall inform the intention in writing to the Board of Directors.

Regarding the identification of the number of years that each director can continuously hold the "director" position for the company, the Board of Directors believe that although the company's business operations are in service businesses, the main customers are customers in sugar industry that relates to several government agencies, farmers, and others; so, persons who hold the director position shall be knowledgeable, proficient, and experienced in the sugar business. Hence, the company has not yet identified the term of office that each director can continuously hold the "director" position. But, we the knowledge and abilities, including the suitability of each director whether they can be re-selected for another term or not.

Directors' Meeting

The company identifies the Board of Directors' meeting in advance throughout the year. Normally, the meeting is held once a month, and the special meetings shall be held deemed as appropriate so the company's directors acknowledge and allocate the time for attending the special meeting as necessary. The Chairman and Managing Director shall identify the agenda from issues following the previous meetings, issues for acknowledgement, and issues for consideration. They shall provide the accurate and sufficient meeting documents and send to the Board of Directors in advance of the meeting so the Board of directors have sufficient information and / or are able to inquire from the authorized persons before attending the meeting. Each meeting shall take 2-3 hours and in each meeting, every director shall be able to express the opinions freely. The meeting shall be recorded in writing and shall stored the previous meeting minutes certified by the Board of Directors so the directors and relevant parties are able to audit and use as references.

In the directors' meeting, if there are any issues related to the transactions that may have conflict of interests with directors or executives, the directors or executives who have conflict of interest shall not attend the meeting in such issues.

In 2012, the Board of Directors held 14 meetings with the following details of each director.

Directors' Meeting in 2012

No.	Name of Directors	number of times in meeting attendance/ number of total meetings
1	Mr. Pricha Attavipach	14/14
2	Mr. Prapas Chutimavoraphand	14/14
3	Mr. Pong Chinthammit	14/14
4	Mr. Chanachai Chutimavoraphand	13/14
5	Mr. Narong Chenlarpwatanakul	14/14
6	Mr. Chadej Insawang	12/14
7	Mr. Suang Ruangsook	14/14
8	Mr. Nisakorn Parkpean	12/14
9	Mr. Win Chinthammit	11/14
10	Mr. Chalush Chinthammit	12/14
11	Mr. Somchai Chinthammit	13/14
12	Mr. Dhanadol Sujiphinyo	13/14
13	Miss Jutapip Arunanondchai	10/14
14	Dr. Suphsorn Chayowan	14/14
15	Dr. Charnkrij Dejvitak	13/14

Meeting of the Board of Directors of the non-executive directors

Most of the meetings are the discussion and meeting about the company's business among the directors so the invitation letter and the meeting minutes have not prepared in advance. The non-executive directors shall discuss about the issues in each meeting. For the meetings among the sub-committee whose members are independent directors, namely, Audit Committee, Nominating and Remuneration Committee, etc. the invitation letter has been prepared, and the meeting minutes are also prepared and proposed with the opinions as an enclosure of each meeting.

Appointment and Demotion of Directors

The appointment and demotion of directors shall be summarized as follows :

- The company's directors are appointed by the shareholders' meeting. The company shall have at least 5 directors and at least half of them shall live in the Kingdom of Thailand and shall have at least 1 in 3 of all directors. Currently, the company has 5 independent directors from the total of 15 persons. Every independent director has the qualifications as stipulated by the laws and regulations.
- The shareholders' meeting shall elect the directors who have proper qualifications according to the following criteria.
 - (1) One shareholder shall have the vote equivalent to the number of shares held.
 - (2) Each shareholder shall use all the votes according to (1) to elect one person or several persons to be the directors but they cannot give different votes for each director.
 - (3) The persons receiving the highest number of votes in a descending order are the elected directors in the same number as that of directors that should be available or elected on that occasion.
 - (4) In the case that persons elected in the descending order have equal votes, exceeding the number of directors that should be available or elected on that occasion, the Chairman shall use the casting.
- In every annual ordinary shareholders' meeting, one-third of the directors shall resign from the position. If the number of directors cannot be divided into one-third, the number of directors who resign from the position shall be closest to the number of one-third directors. The directors who shall resign from the position in the first and second year after the company's registration shall be the directors from drawing the lots. For the third year and after, the directors who hold the position for the longest period shall resign from the position.



4. In addition to the directors who are due to retirement, the directors shall be out of the position when :

- (1) Death
- (2) Resignation
- (3) Lack of qualifications or have the prohibited qualifications according to section 68 of the Public Company Act B.E.2535.
- (4) The shareholders' meeting has the resolution to discharge the directors
- (5) The court orders to discharge the directors.

5. Any directors who would like to resign from the position shall submit the resignation form to the company. The resignation shall be effective from the resignation date.

6. In case that any vacancy occurs for any reasons other than by the retirement of the directors, the Board of Directors shall elect a person who possesses qualification and is not disqualified under section 68 of the Public Company Limited act of 1992 as considered and proposed by the Nominating Committee to the Board of Directors' meeting to fill in such vacancy and be the director in the next meeting of the board of directors; except that the remaining term of the directors is less than 2 months, the persons who are the new directors shall be in position for the remaining terms of the directors who are out of the position.

A resolution of the Board of Directors shall be supported by not less than three-fourths of remaining directors' votes.

7. The shareholders' meeting may vote any directors to be out of the positions before the retirement with the vote of at least three-fourths of number of shareholders who attend the meeting and are eligible to vote and have the total shares of at least 50 percent of the number of shares held by the shareholders who attend the meeting and eligible to vote.

8. The directors do not have to be the company's shareholders.

Authority of Managing Directors shall be as follows :-

The managing director shall have authority and duties regarding the management of the company as assigned by the directors and shall manage the company according to the plan or budget as approved by the Board of Directors with honesty, integrity, and caution. The managing director shall maintain the benefits of the company and shareholders as best as he / she can. The authority of managing director shall include the following :-

- Conduct activities and / or manage the daily activities of the company.
- Manage the company's business according to the objective, regulation, policy, rule, requirement, order, and resolution of the Board of Directors and / or shareholders' meeting.
- Be the authorized person to command, contact, direct, operate, or sign the legal documents, orders, or letters used for contacting with the government agencies, state enterprises, and other persons, and perform any actions as necessary and appropriate.
- Be the authorized persons who can command the employees and workers in every position. Place, appoint, demote, promote, or cut the salaries or ages, offer disciplinary punishment, and discharge employees according to the rules, requirement, or orders stipulated by the Board of Directors, but in case that such employees or workers are advisor, executive vice president, or equivalent, such employees shall be approved by the Board of Directors and shall be authorized to identify the work conditions for employees and workers and issue the company's work procedures that do not contradict with the rules, requirements or orders stipulated by the Board of Directors.
- Be authorized to assign others to perform some specific actions by granting the power of attorney. The assignment shall be under the scope of rules, requirements, or orders stipulated by the Board of Directors and / or company.

If the managing director has conflicts of interest or may have conflicts of interest with the company regarding such authority, the managing director shall not be authorized to take the abovementioned actions.

7.2.2 Audit Committee

The Board of Directors shall approve the appointment of Audit Committee on 15 December 1999 by appointing from at least 3 independent directors who have the qualifications as stipulated by the Securities and Exchange laws and at least one of them shall have expertise in accounting and finance. Currently, there are 3 members of Audit Committee and every member is independent director as follows :

As of 31 December 2012

Name - Surname	Position	
1. Mr.Chadej Insawang	Chairman	Independent Director who is a legal expert.
2. Mr.Nisakorn Parkpean*	Member	Independent Director who is an accounting expert.
3. Mr.Suang Ruangsook	Member	Independent Director

Mrs. Arunee Trithepratima, secretary of the company, acts as the secretary of Audit Committee.

The current Audit Committee has 3-year term from 30 April 2010 to April 2013.

Duties and Responsibilities of Audit Committee

1. Audit the company to ensure that the company has accurate and sufficient financial statement.
2. Audit the company to ensure the internal control and internal audit to be in accordance with the proper criteria and objectives.
3. Audit the company to follow the Securities and Exchange laws, requirements of the Stock Exchange of Thailand or other laws related to the company's businesses.
4. Consider, select, appoint the company's internal and external auditors, and propose the fees for such persons.
5. Consider the related transactions or transactions that may lead to conflicts of interest in order to ensure the accuracy, and sufficiency, and be in accordance with the criteria stipulated by the Stock Exchange of Thailand.
6. Prepare the good governance report of the Audit Committee by disclosing on the company's annual report and such report shall be signed by the Chairman of Audit Committee.
7. Perform other actions as assigned by the Board of Directors and with approval from Audit Committee

In the event that the Audit Committee be informed if the auditor found that circumstance, Managing Director. Or the person responsible for the operation of the company commits an offense under the Securities Exchange Act Section 281 / 2, paragraph two, Section 305 Section 306 Section 308 Section 309 Section 310 Section 311 Section 312 or Section 313, the Board of Audit to investigate and report Preliminary results of the audit. The Office of the Securities and Exchange Commission and the auditor within 30 days from the date of receipt of notice from the auditor.

In performing the duties of the Audit Committee. If you see or have any questions or action items that have the following. This may have a significant impact on the financial position and results of operations of the company. The Audit Committee reports to the Board of Directors for the necessary amendments within the time of the Audit Committee deems appropriate.

- (1) a list of conflicts of interest.
- (2) fraud or there is something wrong or have a significant deficiency in internal control systems.
- (3) violations of the Securities and Exchange Commission. Terms of the stock. Or laws relating to its business.

If the Board of Directors or the Management Committee fails to make modifications to improve within the time prescribed by the Board of Audit. Any committee member may report that there is one item, or to such action to the Office of the Securities and Exchange Commission or stock.

In case that the members of Audit Committee are out of the position before the expiration date, the company shall inform the reason and / or the members are able to inform the reasons to the Stock Exchange of Thailand and Securities and exchange Commission.

The Audit Committee shall arrange the meeting every quarter and shall report to the Board of Directors. The external auditors, internal auditors, and executives of accounting department shall participate in the meeting to audit the financial statement every quarter, audit the annual financial statement, examine the internal control system, and propose any issues related to the good corporate governance to the Board of Directors so the company is able to follow the principle of good corporate governance and code of conduct.

In 2012 the Audit Committee has met 6 times to oversee the operation on behalf of the Board of Directors. The roles and responsibilities defined in the Rules Committee

Number of Audit committee's Meetings in 2012 shall be as follows :-

Name of Directors	number of times in meeting attendance/ number of total meetings	Term of office
Mr.Chadej Insawang	6/6	April 2010 - April 2013
Mr.Suang Ruangsook	6/6	April 2010 - April 2013
Mr.Nisakorn Parkpean	6/6	April 2010 - April 2013

Term of Inspection Committee

Inspection Committee's term is 3 years, the occupation or termination of each term will be in April in order to accomplish the inspection of the financial statement and operation performance then will appoint for the next committee. Furthermore the directors of the term may be selected to return to the position. The Nominating Committee and Compensation Committee will consider and recommend to the board to appoint the next.

The Audit Committee performed the following actions :-

- Review the compliance with the laws related to the company's business operations, the compliance with the rules of Stock Exchange of Thailand and consider the audit report by meeting with the executives and internal auditors.
- Monitor closely regarding the related transactions in order to ensure the transparency and sufficient disclosure of information.
- Review the internal control system with the internal auditors in order to evaluate the effectiveness and sufficiency of the internal control system and the IT security system. The Audit Committee shall follow the internal control operations closely and discuss the importance of defects in the internal control system and shall consider the suitability of annual internal audit plan.
- Every quarter, the Audit Committee shall review the financial report by meeting with the finance executives and external auditors to consider the remarks and report to the Board of Directors for acknowledgement, for taking actions, or for planning or identifying policies in accordance with the business operations.

In 2012, the Audit Committee reviewed every aspect of the company's operations and considered the issues with accounting executives, internal auditors, and external auditors. The Audit Committee expressed the opinions freely and provide recommendations and believed that the process of the preparation of company's financial statement was proper and sufficient, and the company's financial statement was prepared according to the generally accepted accounting principles, and was recorded on the meeting minute to propose to the Board of Directors for acknowledgement and the errors or defects that may be significant or may impact the company's business operations were corrected.

In February 2012, the Inspection Committee had examined the auditor performance of year 2011 and proposed the auditor from Sam Nak Ngan A.M.C. Co., Ltd. The auditors of the Company and its subsidiaries for the year 2012 as followings :

Company	Auditor responsibility	Number
Thai Sugar Terminal Public Company Limited.	Miss. Prapasri Leelasupha of Sam Nak Ngan A.M.C. Co., Ltd. and / or Ms. Susan Eumvanitcha of S.P Audit Co., Ltd. In cases where the auditor is unable to perform such work, The Sam Nak Ngan A.M.C. Co., Ltd. is provide the auditor else instead	4664 / 4306
T S Warehouse Co., Ltd. T S G Asset Co., Ltd. T S Oil Industry Co., Ltd. (Formerly known) T S G Property Co., Ltd. T S Transport and Logistics Co., Ltd.	Miss. Prapasri Leelasupha and / or Miss. Parinda Nganprasertkij and / or Miss. Wannee Sukpeng and / or Miss Yupin Chumjai In cases where the auditor is unable to perform such work, The Sam Nak Ngan A.M.C. Co., Ltd. is provide the auditor else instead	4664 / 5123 8423 / 8622

To propose to the Board of Directors for consideration and on the Board of Directors approved a resolution proposed to the shareholders' meeting to approve the appointment and considered present The Midas Audit and Advisory Co., Ltd. by Mr.Opas Sripomkitkajorn as Internal Audit of the Company for the year 2012 of The Board of Directors.

7.2.3 Nominating and Remuneration Committee

The Nominating and remuneration committee has been appointed by the Board of Directors' meeting No. 2/2007 on 28 February 2007 to recruit and nominate the knowledgeable, proficient, and experienced persons to be the company's directors and to propose the remuneration policies for executives to the Board of directors for consideration.

The Nominating and Remuneration Committee consists of 3 persons. One of them is executive director and two of them are independent directors as follows.

1. Mr. Niakorn Parkpean, Independent Director, Is the member of the committee.
 2. Mr.Chanachai Chutimavoraphand, Executive Director, is the member of the committee.
 3. Miss Jutatip Arunanondchai Independent Director, is the member of the committee.
- Mrs. Arunee Trithepratima acts as the secretary of the Nominating and Remuneration Committee.

Duties and Responsibilities of Nominating and Remuneration Committee

- (1) Recruit and nominate persons who have proper qualifications to be the company's directors in order to propose to the Board of directors for consideration in case of vacancies.
- (2) Audit the structure, size, and components of the Board of Directors and provide recommendations in case that it is necessary to change such abovementioned.
- (3) Evaluate the performance of the Board of Directors every year in order to report to the Board of Directors.
- (4) Identify and audit the policy, guideline, and proper amount of remuneration for directors and executives in accordance with the responsibilities, and such remuneration shall be competitive within the industry and shall be in accordance with the policy stipulated by the Board of Directors by linking with the performance of the company and performance of each director. If the changes from the resolution of the previous shareholders' meeting is needed, shall propose to the Board of Directors for consideration and propose to the shareholders' meeting for approval.
- (5) Perform other relevant actions according to this regulation as stipulated by the Board of Directors.

In 2012, there were 1 meetings of Recruitment and Reward System Committee; the committee members were all attended and it may be called for the more meeting as the Chairman (of the committee) will approve in the future. Management delegate and and/or internal consultant may be invited to attend the meeting up to the committee. All committee members had attended to the meeting for discussion on criteria of the committee' term, criteria of committee and minor committee 's compensation, and criteria of new committee proposed by shareholders and etc.

Criteria for Identifying Term of Office of Each Committee

The Nominating and Remuneration Committee considered the background and preliminary qualifications as stipulated on the Public Company Act, and also the knowledge, capabilities, and experiences of persons. Persons who have proper qualifications shall inform the status of the director positions in other companies (both registered and non-registered companies) and report the shareholding according to the requirement of the Securities and Exchange Commission, and the disclosure of information about the conflict of interest to the Committee for consideration.

The Nominating and Remuneration Committee does not prohibit the company's directors to hold the positions at other companies, but each director shall inform every position at other companies to the Board of Directors in order to propose to the shareholders' meeting, and shall disclose the information to shareholders and other relevant units.

7.2.4 Good Corporate Governance Committee

The Audit Committee is responsible for corporate governance since the company's size is not so large and the operational plan is not sophisticated consisting of the Board of Directors, several sub-committees, Executive Board, and there are not so many employees. Thus, the good corporate governance is under the duties and responsibilities of Audit Committee consisting of 3 independent directors, internal auditors, and external auditors. The audit covers the operational system audit and the audit of internal control system, also manage and control regulations of the relevant external organization for good governance

Accounting

- The preparation of financial statements according to the generally accepted accounting principles.
- The calculation, evaluation, and the submission of tax to the Revenue Department and relevant organizations.

Registration of Licenses with the Government Agencies

- Department of Industrial Works, Ministry of Industry
- Marine Department, Office of Maritime Promotion, Ministry of Transport
- Office of Business Development, Ministry of Commerce
- Office of Environmental Control and the compliance with the rules of Ministry of Science and Technology
- District Office, Municipality Office, Sub-district Office, and other relevant units

The preparation of several types of report

- Stock Exchange of Thailand
- Securities and Exchange Commission
- Thailand Securities Depository Co., Ltd.

In additions, the Audit Committee also supervises and provides recommendations to the Board of Directors in order to identify the business operations guidelines, employee guidelines, review the codes of conducts for executives, Board of Directors, and propose to the Board of Directors for consideration.

However, the Board of Directors also pays attention to the good corporate governance, internal control system, and internal audit in order to support the efficient and effective operations, and also the audit of the compliance with the law in order to be in compliance with the international standards and the policies of the Stock Exchange of Thailand. The Board of Directors commits to follow the good corporate governance principles, communicates with every level of employees by specifying the vision, mission, and code of ethics in order to reflect the internal guidelines within the company so we are confident that the company follows the good corporate governance principles. The Board of Directors also realizes the duties and responsibilities in order to maximize the benefits for the company, discloses the information and fosters the transparency in the business operations. In additions, the Board also makes decisions and treats the stakeholders fairly, relies on the corporate social responsibility, generates good relationships with local communities, participates in the social activities in order to conserve the environment and develop the community. Such actions fosters the company's good performance and maximizes the values to shareholders. The company hopes that every director and employee shall perform their duties in order to maximize the customer satisfaction, commit to work together based on the good disciplines and be able to respond to every situation.

Self-Evaluation of Board of Directors

The Board of Directors' meeting No. 1/2013 on 31 January 2013 has concluded its evaluation of the board of directors will be assessed. The Committee was aware of his duties in 2012, which contains the most recent was 6 major items :

1. Structure and qualifications of the Board of Directors such as number of directors, knowledge and experience, and freedom of decision making.
2. Responsibilities of Directors such as paying attention to the duties and responsibilities, time for consideration and evaluation processes.
3. Board of Directors. Meeting such as identifying the meeting in advance, number of proper meetings and presenting the sufficient information.
4. How the Directors perform their duties such as studying information, expressing opinions, and taking time for consideration.
5. Relationship with management such as discussing or participating un the problem solving in case that problems results from the fact that the business plan is not achieved.
6. Self-development of Executive Directors such as understanding in the roles, duties, and responsibilities, monitoring the news about the competition, changes of rules, attending the training and identifying the succession plan.

Overall Evaluation Board is of the opinion below.

1. Management has performed in various practice it is very well.
2. Non-executive directors understand and comply in good shape.
3. Board of Director and Audit Committee comply with the criteria very well.

The results of the Board of Directors has considered and agreed that the current joint operations of the company. More concrete, but also some of the company. Just within the establishment and operation. It takes time to improve. To set guidelines for a better standard for the year 2012 has improved the performance of various aspects of the company in a better way than a year ago.

**7.2.5 Executive Committee**

In the Company Committee meeting, There were 6 executives had been appointed : Managing Director to be the Chairman of Executive Committee, Managing Director Deputy to be Chairman Deputy of Executive Committee, and 4 Committee to Manage and operate the business. The Executive Committee has appointed its members (who are the Managing Director in subsidiary and Managing Director Assistant down to Department Manager) as below :

<u>No.</u>	<u>Name – Surname</u>	<u>Position in the Company</u>	<u>Position in the Executive Board</u>
1	Mr. Prapas Chutimavoraphand	Managing Director	Chairman
2	Mr. Pong Chinthammit	Senior Executive Vice President	Vice Chairman
4	Mr. Chanachai Chutimavoraphand	Director	Executive Director
3	Mr. Narong Chenlarpwatanakul	Director	Executive Director
5	Dr. Suphsorn Chayowan	Director	Executive Director
6	Dr. Charnkrij Dejvitak	Director	Executive Director

Executive Summary of the meeting 1 times per month operation, with different managers. Participants to post comments. To improve their performance on a regular basis.

Shareholding of Executives Directors

<u>No.</u>	<u>Name-Surname</u>	<u>Number of Shares (Shares)</u>		<u>Number of Shares Increased</u>
		<u>31 December 2012</u>	<u>31 December 2011</u>	<u>(Decreased) During the Year</u>
1	Mr. Prapas Chutimavoraphand	2,198,968	2,198,968	-
2	Mr. Pong Chinthammit	-	-	-
3	Mr. Chanachai Chutimavoraphand	24,173,680	28,873,680	(4,700,000)
4	Mr. Narong Chenlarpwatanakul	-	-	-
5	Dr. Suphsorn Chayowan	-	-	-
6	Dr. Charnkrij Dejvitak	-	-	-

Additional Information about the Executives Directors Team is as follows :-

All the company's executives have no criminal offenses according to the laws during the past 10 years about :-

1. Be decided that they have criminal offenses, except the traffic rule violation offenses, light offenses, or similar offenses.
2. Be decided to be bankrupt persons.

Duties and Responsibilities of Executives Directors Team

The management team shall have the following duties and responsibilities as approved by the Board of Directors :-

1. The Executives Directors team shall be authorized to manage and operate the company as stipulated or approved by the Board of Directors in specific cases.
2. The Executives Directors team shall be authorized to manage the company's businesses according to the specified plans.
3. The Chairman of Executive Board shall report the outcome of the Executives Directors team's meetings to the Board of Directors in order to realize what the Executives Directors team has accomplished in order to make significant changes to the company, and / or the issues that shall be proposed to the Board of Directors for approval.
4. The Executives Directors team shall be authorized to conduct activities as identified in order to manage the company to attain the company's objectives.
5. Prepare and audit the financial plans and company's important policies, and propose to the Board of Directors for approval.
6. Develop and take care of human resources and identify the compensation according to the human resource policies.
7. Appoint, monitor, and evaluate the performance of employees from the level of top executives to the middle managers and prepare the succession plan.
8. Monitor and report to the Board of Directors regarding the performance of the company and progresses towards the achievement of company's objectives.

9. Monitor the performance of every level of employees regarding the risk management according to the guidelines stipulated by the company, the effectiveness of internal control and the compliance with the relevant laws, rules, and policies.

7.2.6 Corporate Secretary

The company appointed Mrs. Arunee Tritheprattima to be the secretary of the company according to the resolution of the Board of Directors' meeting No. 7/2008 on 26 June 2008 and she also acted as the secretary of the Board of Directors. The Office of Company Secretary is the supporting organization in order to follow the principle of good corporate governance and in order to foster the effectiveness towards the company's business operations. The secretary of the company has the following duties and responsibilities :-

1. Provide the recommendations for the directors about the laws, rules and regulations the Board of Directors must acknowledge and follow so such directors follow such laws, rules, and regulations regularly and accurately. Report the changes of the significant laws to the directors.
2. Arrange the shareholders' meeting and Board of Directors' meeting according to the laws, and company's regulations and requirements.
3. Record the minutes of the shareholders' meeting and Board of Directors' meeting and monitor the compliance with the resolution of shareholders' meeting and Board of Directors' meeting.
4. Supervise the disclosure of data and information according to the rules and requirements of Stock Exchange of Thailand, Securities and Exchange Commission, and the relevant organizations.
5. Contact and communicate with shareholders so shareholders realize rights of shareholders.
6. Take care of the activities of the Board of Directors.

In additions, the secretary of the company shall also act as the secretary of several sub-committees, namely, Audit Committee, Executive Board, Nominating and Remuneration Committee, and Risk Management Steering Committee.

The Consideration in Auditor Appointment and Compensation

The Inspection Committee has considered on the auditor qualifications and evaluate the auditor performance to propose in the Company Board of Director Meeting. In the meeting, the committee will considered on the auditor compensation and auditor appointment in each year for shareholder approval (in Shareholder Meeting).

In the year 2012 , auditor compensation were:

- Audit fee
- The company and subsidiary had paid the audit fee to the auditor's company, Sam Nak Ngan A.M.C. Co.,

Ltd. in the past accounting year The total amount 552,572.- Baht by the account number is 540,000.- Baht and the cost of the audit of 12,572.- Baht. Furthermore Sam Nak Ngan A.M.C. Co., and the auditor is a person or item that might cause a conflict of interest with the Company and is not a shareholder of the Company and its affiliates.

7.3 Remuneration of Directors and Executives

Criteria for Considering the Remuneration of Directors and Executives

The Board of Directors assigns the Nominating and Remuneration Committee to review and consider the proper remuneration for the Board of Directors in order to comply with the responsibilities of Board of Directors, financial status of the company, and be competitive among other companies in the same industry. The company requests for approval of the directors' remuneration from the shareholders' meeting as follows :-

Remuneration

Annual General Meeting of Shareholders Annual 1/2012 on 26 April 2012 approved the remuneration for the year 2012 is as follows :

- Chairman of Remuneration per month 33,000 Baht
- Directors' remuneration per person per month 16,500 Baht
- allowance per person 10,000 Baht per a time (only director to attend the meeting.)

**Remuneration Committees**

Audit Committee Remuneration per month 11,000 Baht

- Compensation Audit per person per month 5,500 Baht

- Remuneration Committee, Nomination and Remuneration Committee at a time, 5,500 Baht

Bonus for the Annual General Meeting 1/2012 on 26 April 2012 approved the bonus payments to the committee.

The Board of Directors approved based on the results of operations in recent years.

Directors' Remuneration as of 31 December 2012

Unit : Baht / Year

No.	Name	Remunerati on	Meeting Allowance	Bonus	Gasoline Allowance	Total
1	Mr. Pricha Attavipach	384,000	120,000	156,000	112,000	772,000
2	Mr.Prapas Chutimavoraphand	192,000	120,000	78,000	0	390,000
3	Mr.Pong Chinthammit	192,000	120,000	78,000	0	390,000
4	Mr.Chanachai Chutimavoraphand	192,000	125,000	78,000	0	395,000
5	Mr. Narong Chenlarpwatanakul	192,000	120,000	78,000	0	390,000
6	Mr.Chadej Insawang	192,000	110,000	78,000	0	380,000
7	Mr.Suang Ruangsook	192,000	120,000	78,000	0	390,000
8	Mr.Nisakorn Parkpean	192,000	125,000	78,000	0	395,000
9	Mr.Win Chinthammit	192,000	110,000	78,000	0	380,000
10	Mr. Chalush Chinthammit	192,000	120,000	78,000	0	390,000
11	Mr.Somchai Chinthammit	192,000	120,000	78,000	0	390,000
12	Mr.Dhanadol Sujiphinyo	192,000	110,000	78,000	0	380,000
13	Miss Jutatip Arunanondchai	192,000	105,000	78,000	0	375,000
14	Dr. Suphsorn Chayowan	192,000	120,000	78,000	0	390,000
15	Dr. Charnkrij Dejvitak	192,000	120,000	78,000	0	390,000
	Total	3,072,000	1,765,000	1,248,000	112,000	6,197,000

Remuneration for Audit Committee for the Year 2012

Unit : Baht

No.	Name	Position	Remuneration (Year)	Bonus	Total compensation (Year)
1	Mr.Chadej Insawang	Chairman of Audit Committee	128,000	52,000	180,000
2	Mr.Suang Ruangsook	Member of Audit committee	64,000	26,000	90,000
3	Mr.Nisakorn Parkpean	Member of Audit committee	64,000	26,000	90,000
		Total	256,000	104,000	360,000

Executive Compensation

The Board of Directors assigns the Executive Board to be responsible for considering and identifying the remuneration for executives. The guideline for identifying the remuneration shall link with the performance of the company, performance of Executive Board and each executive. In 2012 the company paid remuneration as detailed below.



Type	Number of Executive Directors	Thai Sugar Terminal PCL.
		Total (Baht)
Salary	10	6,582,720.00
Bonus	10	2,675,300.00
Living Expenses and Gasoline Allowance	10	392,308.20
Total	10	9,650,328.20

Note : The Executive Board consist of 6 executive count from the President down. Deputy Managing Directors for 1 persons, Vice President for 2 persons Accounting Manager and Finance Manager.

Other Types of Non-Monetary Remuneration

- | | |
|------------------------------------|----------------------------------|
| 1. Managing Director | : With the bus driver and petrol |
| 2. Senior Executive Vice President | : With the bus driver and petrol |
| 3. Deputy Managing Director | : The official car and petrol |

Personnel

As of 31 December 2012, the company had 63 employees classified by the company's organization structure as follows :-

1. Management Team : Consisting of the Executive Board consisting of Managing Director, Senior Executive Vice President, Executive Vice President, Deputy Managing Directors.
2. Company Secretary
3. Accounting Department
4. Finance Department
5. Warehouse and Port Service Department
6. Technician and Maintenance Department
7. HR and Administration Department

Remuneration for Employees

In 2012, all the company's employees received the total remuneration of 18,883,238.- Baht as follows :-

Salary	10,533,370.-	Baht
Bonus	4,101,090.-	Baht
Overtime	2,775,668.-	Baht
Living Expenses and Others	789,830.-	Baht
* Welfare	416,250.-	Baht
Funds	267,030.-	Baht
Total	18,883,238.-	Baht

Note : Include welfare payments.

1. Compensation paid under the Labour Protection Act, the employee will retire
2. Employees Provident Fund (retirement money) paid to employees who will retire. If an employee works at least 10 years of the last half of the salary scale has been multiplied by the number of years employees have worked for in 2012, the full retirement age number 1 position.

Provident fund

The company established a provident fund for employees since 2008, by deduction from salary at a rate of 2 percent by the year 2012 can deduct contributions to a number of 267,030.- Baht per the Fund and welfare related. amount paid to employees. Apart from contributions to fund the company's number of 267,030.- Baht. In addition, the company also has a retirement benefit. Paid to employees of the last half of the salary scale has been multiplied by the number of years worked. The employee will receive the full amount of the company. When employees retire or will retire prior to maturity. By the age of not less than 10 years.

Management Contract

- None -

8. Internal Control

The Board of Director has managed the effective internal control and risk management system at the properly stage under the supervision of internal audit. The internal audit will review and control the operation to achieve the plan and target that is management inspection, operation inspection, account & finance inspection and IT technology inspection of the company and subsidiaries. The Inspection Committee will be informed of internal audit result and monitoring report every quarter. Moreover Board of Director has supervised the sufficiency of internal control by Evaluation Form from all committee every year, and measured the company current plan and strategy for the new plan adjustment. The Evaluation Form presented the followings :

- Organizational Control and Environment Measure

The committee deems that the company has regular meetings and monitors the company's performance by listening to problems and taking part in setting business operation goal, as well as determining compensation for employees, and report performance, as well as given an opportunity to employees to ask questions for transparency. In terms of organizational structure, the company strictly complies with public company law and other relevant laws. The company has a written moral requirements and restrictions that prohibit management and employees to act in the manner that causes conflicting interest with the company, and emphasizes on morality as a public organization.

- Risk Management Measure

The company organized regular Audit Committee meetings according to the requirement, and continuously monitors the result of improvement according to recommendation, as well as assesses external and internal risk factors by analyzing events that cause the risk factors, cause of risk factors, and risk mitigation measure. Significant matter will be discussed at the committee and the management meetings, and employees will be notified of risk management measure by organizing a meeting for the unit relating to that particular risk factor.

- Management Control Activities

The committee had clearly determined in writing the scope of duty, and the limit and approval authority of the management in each level, and there was no violation against the law last year.

- Information and Communication Measure

Responsibilities are clearly prioritized for supervision and disclosure of various company's information.

- Monitoring

The company has realized that the pleasant internal audit must confide the management and reduce the business risk, and help the company operate its business more efficiently and allocate the resources properly. The internal audit also helps protect the company's and customers' properties from leakages, loss, or misconduct, and takes care of the personnel to comply with the relevant laws, regulations, and rules, and also helps protect the investment from shareholders.

The Audit Committee is responsible for auditing the financial report by meeting with the company's accounting department, the auditors of the company and its subsidiaries, and the internal auditors. The meeting has reported the auditing outcome and proposed the recommendations to the company, and expressed the opinions freely, and will propose the financial report with the recommendation beneficial to the company's operations to the Board of Directors' meeting every quarter, and report the responsibilities towards the financial report as proposed to the shareholders on the annual report. The disclosure of important financial and non-financial information has been on the basis of the factual statement.

Meanwhile, the company also play the major role in operation efficiency under the proper monitoring and control system. The criteria in operation with the target and authority are clearly appointed to the operation line and personal for understanding on the same base of communication. For technology and IT system; the employee are continuously trained and sufficient and the effective back- up system is arranged. Moreover, the in – out information scope through the company system were set in protecting the risk information that may damage the company system.

In year 2012, the Audit Committee had checked up the internal control through the measurement of the executive and internal auditor; the Audit Committee and company auditor has found no material problem or defect. This is consistent with the opinion of the auditor of the Company under the Company's internal control system. The adequacy and effective implementation.

Corporate Governance

The Board of Directors has committed to operate the business under the good corporate governance principle according to the good corporate governance criteria and the Securities Exchange Commission's rules as the main factors for reinforcing the organization to implement the efficient management system. The top executive management and all ranks of the employee and there was 4 particular committee : Management Committee, Inspection Committee, Recruitment and Reward System Committee, and Risk Management Committee. The Audit Committee is also responsible for corporate governance. The Audit Committee shall screen any important project / job prudentially under the good corporate governance principle aiming to maximize the benefits for shareholders by realizing the stakeholders, moral principle, and transparency. Every specific committee consists of the directors with the qualifications, duties, and responsibilities according to the Stock Exchange of Thailand's requirement and the company has also clearly identified the duties and responsibilities of all specific committees in writing.

Identification of Good Corporate Governance Policy

The Board of Directors has identified the good corporate governance policy as follows.

1. The Board of Directors, executives, and every employee shall apply the good corporate governance principle so everyone performs the duties and responsibilities with responsibility, honesty, integrity, transparency, and pleasant vision. Everyone must respect the business ethics in order to operate the business and to create the good and fair relationship among the Board of Directors, executives, and shareholders.
2. The Board of Directors shall perform their duties with responsibility and the roles and duties of Chairman of Board of Directors and Chairman of Executive Board shall be clearly and separately identified.
3. The Board of Directors has played an important role in identifying vision, strategy, policy, and important action plans by realizing the risk factors, and setting the proper good corporate governance guideline. The Board of Directors has performed the duties to confide that the accounting system, financial report, and audit are reliable.
4. The Board of Directors shall be the leader and role model for performing according to the good corporate governance principle, and take care of solving the conflict of interest problems and related transactions.
5. The Board of Directors shall arrange the annual self-evaluation in order to be the frame for auditing how the Board of Directors performs their duties.
6. The Board of Directors shall consider and identify the company's business ethics so the Board of Directors, executives, every officer and employee shall apply as the guideline for their performance in addition to the company's regulations and rules.
7. The company shall sufficiently disclose the company's financial and non-financial information in a timely manner so the shareholders and stakeholders obtain equal information.
8. The company's shareholders shall be treated with equality, be able to access the information, and have the proper channel for communicating with the company.
9. The company shall implement the proper system for recruiting personnel who shall act as the company's key executive at every level, and fair and transparent nominating process.

The company has had the policy to promote and support every director to attend training with Thai Institute of Directors and other institutes in the relevant curriculum in order to strengthen knowledge regarding the roles and duties of directors. The company shall inform the directors, promote the awareness towards the good corporate governance principle for directors, executives, employees, and relevant parties. Every employee shall realize news regarding any actions towards the corporate governance, and regularly arrange the meeting for employees at various levels in order to reinforce the pleasant atmosphere and to create understandings between management and employees. In additions, the company has also opened the opportunity for employees to make inquiries freely and support the employees to realize the responsibility towards society, community, and external environment.

**Taking Director's Position at Other companies**

The company has operated its business by a group of businessmen in sugar industry. These businessmen have their own businesses and take the positions as directors at their own companies. However, for the business transparency, the company's directors shall disclose their position in each company and inform the company so the company is able to disclose such information to shareholders and investors. In this way, the directors are able to apply their experience, knowledge and capability in the businesses that they are responsible for to adapt the company's businesses in order to be in compliance with the customer's businesses.

Corporate governance in various fields**1. Right and equality of shareholders****The rights of shareholders**

The company had facilitated every shareholder to receive fundamental rights as investors in securities and as owners of the company with accepted and reliable standard by giving the right to purchase, sell, or transfer securities held by shareholder freely, participation in important decision making of the company such as directors appointment, dividend payment approval, auditor appointment, and others. Every company's shareholder has the right to vote according to number of shares they hold, which each share has one voting right, and no share has special privilege in limiting the right of other shareholders.

Apart from the fundamental rights above, the company still has the following activities that promote and facilitate the exercise of shareholders' rights;

1. Provide important and necessary information to shareholders regarding the company's business operation clearly and up to date, although some matter is not required by the law to be disclosed. If the company deems that any matter is necessary for shareholders to know, the company will notify shareholders via the company's website, and news of listed companies in the Stock Exchange of Thailand.

2. Every shareholder receives necessary and sufficient information regarding the meeting dates and agendas in advance, which the company published shareholders' meeting information accompanying the agendas on the website and document delivery. Furthermore, shareholders' rights were notified for attending the meeting and shareholders' voting rights clearly in the document that the company has sent together with the meeting appointment letter.

3. In case shareholders cannot attend the meeting in person, the company gives shareholder the opportunity to authorize an independent director or any person to attend the meeting on their behalf by using the power of attorney that the company has sent together with the meeting appointment letter. Furthermore, shareholders may also download the power of attorney from the company's website.

4. Before the date of shareholders' meeting, the company gives shareholders the opportunity to propose an agenda or a person to be appointed as a director at the Annual General Shareholders' Meeting. In 2011, the company gave the opportunity to shareholders to propose during February 1-28, 2011 for the Nomination Committee to filter before proposing to the company's Board of Directors for consideration once more.

5. On the meeting date, the company organized registration which was convenient and quick for shareholder. Furthermore, voting in each agenda, the company used the method of collecting voting cards from shareholders to count the votes for each agenda. At the end of the meeting, shareholders may request for the details for verification.

6. In each year of shareholders' meeting, one third of the total number of directors will complete their terms, which new directors will be appointed at the meeting. The company gives the opportunity to shareholders to be able to freely vote for each person to be appointed.

7. At the meeting, shareholders were given the opportunity to comment, recommend, or pose questions freely before voting in any agenda. Furthermore, the company sufficiently provided shareholders with sufficient detailed information. For the agenda that shareholders have any doubt or question, the company had prepared related personnel from each field to provide answer under the responsibility of the company's Board of Directors.

8. Any agenda at the shareholders' meeting, shareholders may request for secret voting if shareholders requests for such voting method, and 5 shareholders acknowledge for the shareholders' meeting to vote using secret voting method.



Furthermore, the company determined that there shall be an agenda relating to directors' remuneration by classifying the type of remuneration that directors in each committee will receive as monthly remuneration, meeting allowance, and the company's director's bonus. If a change in directors' remuneration is proposed, it must be approved by the shareholders' meeting.

Shareholders' Equality

The company treats every shareholders equally, either major shareholders, minority shareholders, institutional investors, or foreign shareholders, especially minority shareholders such as;

1. Determining that an independent director shall be responsible for looking after minority shareholders, which minority shareholders may propose, comment, or complain to an independent director who will take appropriate action for each matter such as if it is a complaint, the independent director will verify the fact, and look for appropriate remedial method, or in case of a recommendation which the independent director considered and deemed as significant that affects interested persons overall, or affects the company's business operation,

the independent director will propose such matter at the shareholders' meeting for consider determining it as an agenda at the shareholders' meeting.

2. The company's Board of Directors had determined preventative measure for illegal usage of internal information (Insider Trading) of relevant person which means the company's Board of Directors, the Management, and employees in the unit relating to the information.

3. For the shareholders' meeting, the company had prepared the power of attorney which shareholders may determine the direction of the voting as prescribed by Ministry of Commerce, and sent it together with shareholders' meeting appointment letter. Furthermore, the company also gave the right to shareholders who attended the meeting after the meeting had already begun to vote for the agenda that was being considered, and had not been voted, which the forum shall be counted from the agenda that the shareholders have joined the meeting and voted onwards, except for the shareholders' meeting deems otherwise.

4. The company has Independent Directors who have the responsibility to look after minority shareholders, which minority shareholders may contact independent directors for various matters relating to one's right through independent directors directly, and may authorize any independent director to attend the shareholders' meeting to represent the shareholder and maintain the shareholder's right.

After the meeting

The company will submit periodic reports. The note of the meeting and vote on the question of the shareholders of each agenda item to the Stock Exchange of Thailand and other relevant agencies and the public on its website for investors and the general public in time

The shareholders of the visit

The company will provide shareholders the visit after the completion of the Annual General Meeting of the shareholders on request. The visit by personnel within the company, such as port operations and staff, including the stock and pour the sugar. Truck weighing room. Station and the molasses and the shareholders of the Company wishes to visit a plant wheat, refining, Mill and factory. The Personnel Committee has the authority to take you to the satisfaction of the shareholders.

2. Information Disclosure and Transparency

The company focuses on information disclosure because it is the matter that affects the decision of investors and interested persons. Therefore, it is necessary to have control and to determine measure for information disclosure for either financial information or nonfinancial information as prescribed by the law which is substantial, complete, sufficient, reliable, and in time in both Thai and English version, which is disclosed through SET Community Portal of the Stock Exchange of Thailand, and the company's website. For information disclosure, the company had assigned the Managing Director, or Assistant Managing Director to disclose the information. Furthermore, the company's secretariat is responsible for contacting institutional investors, and shareholders equality and fairly.

The company strictly adheres to the laws, rules, and regulations prescribed by the Office of Securities and Exchange Commission (SEC), the Stock Exchange of Thailand, and other government agencies, and regularly monitors, amend, and change to ensure that the laws, rules, and regulations adhered by the company are up to date, and are a guarantee for shareholders to have confidence in transparent business operation such as;

1. Disclose financial information and nonfinancial information accurately, completely, and in timely manner.
2. Prepare a report of the committee's responsibility for financial report, and display it together with the auditor report in the annual report.
3. Determine that directors and executives must disclose information relating to their interest and related persons in case having an interest relating to the company.
4. Disclose performance information of subcommittee and number of time each directors attend the meeting individually.
5. Disclose operation structure and investment in subsidiaries and joint ventures clearly.
6. Disclose remuneration information each director receives from being a director in the subcommittee individually.
7. Disclose director's remuneration payment policy, including format, manner, and amount of remuneration each director receives for being a director in various committees.

3. Rights of Stakeholders

The company has paid attention to taking care of and realizing every internal and external stakeholder as follows. Customers, shareholders and employees, and responsibilities to society and environment. Rights of stakeholders are the explicit guideline in order for the company to respond to the needs of stakeholders so the Board of Directors, management, and company's employees have committed to perform the actions according to the guideline and everyone must follow this guideline as follows.

Shareholders : Executives have committed to conduct businesses in order to create the maximization of satisfaction to shareholders by :

1. Performing the duties with honesty and integrity, and making decisions with sincerity and fairness to major shareholders, minor shareholders for the maximization of benefits to the overall shareholders.
2. Managing the organization with care and prudent in order to protect losses to shareholders and realizing the risk conditions in the current and future situation.
3. Performing the duties by applying the managerial knowledge and skills at the best of their efforts in every case.
4. Managing any organization's assets in order to protect the devaluation or losses with dishonesty.
5. Providing the regular and complete report of the organization's performance according to the fact, and informing every shareholder equally regarding the future trend of the organization both in the positive and in the negative aspects on the basis of feasibility and sufficient information support.
6. Do not seek the benefit for themselves and relevant parties by applying any organization's information not yet open to the public.
7. Do not disclose the organization's confidential information to outsiders, especially to competitors.
8. Do not perform any actions that may lead to the conflict of interest for the organization.

Employees : The company has paid attention to and treated the employees with equality as follows.

1. Providing the fair compensation to employees and the compensation must be competitive to other companies.
2. Regularly taking care of the work environment for the safety of employees' life and properties.
3. Providing human resource management regarding the explicit appointment, transfer, reward, and punishment procedures, and performing the duties with honesty on the basis of knowledge, proficiency, and employee's properness.
4. Paying attention to development of employee's knowledge and proficiency by opening the opportunities for employees thoroughly and regularly.
5. Listening to the opinions and recommendations on the basis of employee's professional knowledge.

Counterparties :

1. Performing the duties according to the trading conditions regarding the contract with every counterparty and avoiding any dishonest procedures.
2. Performing the duties according to the competition rules and do not damage the reputation of the competitors.

Customers : The company shall pay attention to and responsible for the customers by

1. Providing qualified and acceptable services
2. Disclosing the news and information regarding products and services completely and accurately and do not distort the fact and shall realize the customer's benefits and interests.
3. Warranting the products and services under the condition with proper period of time.
4. Do not submit the products and services to customers when realizing that such products have defects or may be dangerous to customers, and do not release the products and services with lower standard to customers.
5. Do not make customers misunderstood about the quality, price, quantity, or other conditions of such products or services.
6. Arranging the system so customers are able to make complaints about products and services and perform the best of their efforts in order for customers to obtain rapid responses.
7. Maintaining the customer's confidential information strictly, and do not apply the confidential information for their own benefits and the relevant parties' benefits.
8. Finding the methods to reduce production costs by maintaining the standard of product and service quality in order to continuously increase the benefits for customers.
9. Maintaining the contract and strictly performing the duties according to the conditions towards customers. In case of not able to perform according to any conditions, must inform the customers in advance in order to find the solutions.
10. Do not earn the profit in a dishonest way when compared to the quality of products or services, and do not identify the unfair trading conditions for customers.

Competitors : The company performs according to the competition rules by

1. Performing according to the competition rules.
2. Do not seek the confidential information from competitors dishonestly or properly.
3. Do not damage the reputation of competitors by slandering or accusing them.

Overall Society : The company shall be responsible for the environment and society by

1. Do not perform any actions that may impact the natural resources and environment.
2. Continuously supporting the activities that play a role in creating the society.
3. Continuously and seriously creating awareness regarding the responsibility to the society among every level of employees.
4. Controlling the strict compliance according to the intention of the laws.
5. Do not assist or support the avoidance of compliance according to the laws or rules.
6. Cooperating with the supervisory units and reporting the data regarding any violations or non-compliance according to the laws or rules towards such units.

Responsibilities to society, community, and environment

Since the company has conducted the product loading business onto the seagoing vessel and the location of the company is located near Chao Phraya River and within the warehouse, and molasses storage and loading station, is located close to the community where people have lived for a long time. Therefore, the company's business operations have realized the impact on the society and environment that are closely related. It can be summarized as follows.

- Regarding the waste, garbage, oil or chemical substances, the company has strictly taken care of and protecting the spill into the river, and hired the employees to take care of the cleanness and regularly coordinated with the government agencies responsible for managing the waste or garbage within the company or around the area closed to the community.
- Constructing and taking care of the drainage pipe, constructing the grease trap for treating fat and waste water, taking the sample of water from various points in order to verify the quality under the standard by measuring Ph, BOD, Ammonium-Nitrogen, Suspended, and others for every 3 months.
- Taking care of the impact from sound during working in order not to disturb people living in the surrounding areas.

- Constructing the dam around the molasses tanker via the solid materials in order to support the quantity of products that may be leaked from the tanker.
- Cooperation and support of community activities adjacent to the area or areas far away on a regular basis by the year 2012. Activities of the Company to support continuation of the past on a regular basis every year, including.
 - a. Supporting the activities for the National Children's Day of various communities such as Poo Hangsanawat temple community in South Sam Rong, Northern Sasm Rong temple community, Moo 1 Ruam Jai Pattana Community, Wat Thong Koong school, Poochaosamingprai Municipality and others and supporting the religious activities for temple in the surrounding areas.
 - b. Continuously supporting the education by offering the scholarship for poor children continuously since the year 1982 until now, namely, Kiat Ruammit for education foundation.
 - c. Supported the field trip activity by invite the students from schools located in the vicinity to visit the company and acknowledged them on the company business characteristic, social community living, and environment reservation in order to understand the importance of cleanness, wastewater treatment, and others.
 - d. Supported the Pitak-Tham Club in order to honor H.M. the King Bhumibhol 's Birthday for educational development of Pu Chao Saming Phai School group.
 - e. Supported the education funds and vocational training for blind in Samudprakarn province.
 - f. Supported the H.M. the King Bhumibhol's 80th Birthday Anniversary Project in development blind's living quality.
 - g. Supported the Thairath Foundation in school building project in provinces.
 - h. Supported by an educational grant making in scholarships to poor and needy children Ban Tha Kham School, Kaeng Sopha, Wang Thong District, Phitsanulok Province.
 - i. Donations contribute to a charity fund started by the king "Her fair body president of the Red Cross" in the new stage at the 2012, at The new garden amporn garden to Thai Red Cross Society to raise funds.

Other than many activities supported by the company continuously, in 2012 the company also take part in religion activity : The co-host of the ceremony at Kra tung tong temple, Jomtien Beach, Pattaya City, Chonburi Province. To raise funds for the construction of an addition Sermon hall in a monastery and The ceremony at Pa Non Dua temple, Ma ba, Thung Khao Luang District, Roied Province. To raise funds build a city hall ceremony at Samrong South temble, Samrong Klang, Phrapradaeng District, Samutprakarn Province. To fund restoration of the monastery damaged the unity ceremony at Chalem lap temple suae chang, nong yai District, Chonburi Province and the ceremony at Mahawong temple, Samrong Klang, Phrapradaeng District, Samutprakarn Province.

For provision of social assistance during festivals. The Company and its subsidiaries have donated oil palm products T S oil industry company limited which is used for cooking to the people who live in the community and surrounding area the opportunity to sell some of its employees and neighboring communities at cost.

Possibilities to Personnel and Employees

The Company has realized the importance of personnel, taking care of the welfare and workplace safety, and pleasant working condition that will affect the employee's mental condition and dedication. Therefore, the company has paid more attention to the employee's welfare in addition to compliance according to the laws, namely,

Housing The company's employees and their family are able to live within the employees' houses constructed by the company as the building surrounded by the playground, parking lots, and others.

Welfare other than social security welfare, the company had set the other welfares for employee : the wel fare for sick, accident, marriage, delivery, ordination, and death of employee's father mother, and child.

Promoting knowledge and experience The company has sent the employees to attend the external training or on-the-job training such as fire extinguishing and migration in case of fire, etc. in order to promote knowledge and proficiency in assisting themselves but others and people living in the surrounding community. The company has arranged employees to attend the training course for security officers and such employees will obtain safety officer certificate, and also other courses such as technology and information, machinery utilization, accounting and others that each employee should apply the knowledge into the job.



Right to Make Complaints The company has arranged the meeting for various levels of employees by opening the opportunity for everyone to freely express his / her opinions or in case that the employees aim to make complaints, they shall submit the letter to :

Chairman of Executive Board or Audit Committee
Thai Sugar Terminal Public Company Limited
90 Moo 1 Soi Siam Silo
Poo Jao Saming Prai Road,
Sam Rong Klang Sub-district,
Phra Pra Daeng District,
Samut Prakarn 10130

The company has performed according to the legal requirement and various relevant rules in order to take care of rights of stakeholders.

4. Board of Director's responsibility

As of dated 31 December 2012, 15 Company Committee are 5 independent committee, 6 executive committee, and 4 non- executive committee, the Chairman is independent committee and not the Managing Director.

Board of Director has been appointed and authorized in control and supervise the operation under the company regulation. Board of Director is responsible to all shareholders by control and perform the fair and independent business with considering of all shareholders and beneficiary . Board of Director will not do the double work with the Managing Director and Executive Committee.

Board of Directors are consist of 5 independent committees that no relationship in personal, business, or other aspects with the company or executive; not the delegate of any particular shareholder , no financial interest or personal matter with the company ; therefore, their fair and independent judgement can protect all shareholder benefits evenly. All Independent Committee are qualified according to The Securities and Exchange Commission's announcement : not hold more than 1 percent of common stock , no relation with the company in management participation and/ or professional service, also no business relation with the company.

All the committees have the business experience in related industry for the overall benefit of the company; their business knowledge can help the company in many ways: the business knowledge to understand the business obstacle and create industrial competitive 's advantages for the company. Moreover, all the committees are qualified with no forbidding qualification according to the Public Company Law and The Securities and Exchange Commission's announcement.

In the position of the Committee, each Committee will be informed of the company profile, regulation on Committee scope of duty and responsibility, law consultant, term& condition in being the Committee in the listed company , and information to understand the company business.

After completing the 1st three-year term, the Committee may be appointed to be in the position again; if the new Committee is expected, the shareholder has to select the qualified person with ability for being the Committee.

In case of vacancy and the left term is more than 2 months, Board of Director must select the new Committee in the next Committee Meeting; the consensus must be approved by 3/4 of the remained Committee. The new Committee will be termed as the replaced Committee.

Board of Director will control the plan and strategy of executives for the utmost benefit of the company and all participants. Board of Director will authorize the routine management to the Managing Director and higher other executives also appoint the minor groups of Committee to take care of some particular businesses.

Board of Director Chairman's duty and Managing Director's duty are not duplicated; Managing Director has the responsibility in appointing the executives and higher executives to manage the business.

The Company Committee had arranged the Office of Company Secretary to help and support the Company Committee. The Office of Company Secretary will be operated in control the company regulations & performance to abide by the Public Company Act, and coordinate & help the shareholder.

Board of Director has monthly meeting that all committees have to attend; in case of meeting absence, the Committee will be informed of that meeting conclusion.

Board of Director Chairman appointed the Managing Director and the Office of Company Secretary to prepare the meeting agenda.

The Office of Company Secretary has the duty in preparing and sending out the meeting appointment letter and information to the committees not less than 7 calendar days before the meeting date. Hence, the Committee has enough time to study the meeting agenda. In the meeting, the involved executive will bring in the issue and report according to the agenda and the Committee has the opportunity to discuss and debate independently. Besides, there may be asked for more information or suggestion from independent consultant case by case.

In case any Committee has conflict of interest in the meeting session agenda; that Committee will reveal the conflict of interest to Board of Director immediately and will not be participated in that meeting session.

Board of Director had arranged the Minor Board of Director to assist in many parts; the details are presented in item 9.2. Board of Director has the responsibility in checking up the structure and operation performance of every group of Minor Board of Director yearly.

The Committee in each minor group has the criteria and regulation to specify its duty, authority, and responsibility and the Chairman of each minor group has to report the performance and significant issue to Board of Director.

Board of Director has responsibility in scope the risk management and internal control in order to support the effective operation, moreover, has to inform the financial information. Board of Director has creditability and ability to control the operation within the law and regulation framework ; and to follow-up the risk management measure & internal control according to the company strategy.

For properly internal control system, Board of Director has to scope, check up , and consider the facts of all involved risks together with the loss & expense may occurred in risk management control.

Board of Director has approved and issued the Business Ethics Manual for employees; the manual present the method in duty operation, performance of Committee and employee in the Company Principle and Core Value, and the responsibility to all participants for honestly and fairly standard manner & performance of Committee and employee.

Board of Director has realized the importance of employees : treat them with respect and give the opportunity to all level of employees in order to encourage them for effective operation performance under the specified responsibility and work place.

In business management, Board of Director has appointed the management authority to Management Committee and executives under the sufficient and proper internal control system. Some parts of internal audit plan will cover the sufficiency and effectiveness of internal control. The internal control will be carry on the Committee systematically and consistently ; the internal auditor has to report the internal audit result to r quarterly and propose to Board of Director for overall evaluation of the company internal control's sufficiency and effectiveness yearly.

Board of Director has the responsibility in scope the framework of risk management in order to support the operation performance effectively and follow up the scope of risk management to achieve the target plan. For properly internal control system, Board of Director has to scope, check up , and consider the facts of all involved risks together with the loss & expense may occurred in risk management control.

5. Leadership and Vision

The Board of Directors are responsible for the shareholders regarding the company's business operations and supervision of the management in order to be in compliance with the goal and guideline that will finally lead to the maximization of benefits to shareholders under the framework of business ethics and by realizing the benefits of every shareholder. The Board of Directors are also responsible for compliance according to the laws, company's objectives and regulations and the resolution of the shareholders' meeting with honesty, and are careful to maintain the benefits of current and long-term shareholders, and also for the compliance with the rules and regulations of Stock exchange of Thailand, Securities and Exchange Commission, and other laws regarding the company's business operations.

Regarding the duties and responsibilities, the company has identified the clear roles, duties, and responsibilities between the Board of Directors and management. The Board of directors has appointed the Executive Board and the Managing Directors acting as the Chairman of Executive Board and assigned the Executive Board to be responsible for the company's routine businesses, closely monitoring the company's business operations, measuring the company's performance, and reporting the businesses accomplished by the management to the Board of Directors immediately and regularly.



6. Conflict of Interest

The Board of Directors has identified the policy regarding the conflict of interest as follows. The persons who have related transactions shall inform the company regarding the relationship towards such transactions and shall not participate in the decision-making. The company has also identified the internal auditors and Audit Committee to monitor, take care of, and manage the problems regarding such conflict of interest. There have been no problems regarding the conflict of interest.

During every Board of Directors' Meeting, if there are any issues regarding the conflict of interest in any agendas that relates to the directors, the directors who have conflicts of interest shall have no vote or no comments.

The Board of Directors and executives meaning the spouse and children that are under 20 years of age when changing the company's ownership, shall inform the company and report the changes of shareholding to the Securities and exchange Commission and the Stock exchange of Thailand according to section 59 of the Securities and Stock Exchange Act B.E.2535 within 3 days from the date of purchasing, selling, or transferring the shares and this shall be reported to the Board of Directors' meeting under the topic "the Changes in Securities Holding Report of Directors and Executives" strictly identified in the Board of Directors' meeting report every time.

7. Business Ethics

In order to express the intention regarding the company's business operations with transparency, moral principle, responsibilities towards stakeholders, and society and environment, the company has identified the business ethics so the Board of Directors, executives, personnel and employees are able to apply as the guideline of performance in addition to the company's regulations and rules. The company has amended the regulations and rules in 2007 and shall formally notify the business ethics and the company's regulations and rules in 2008 until now.

8. Check and Balance of non-executive Directors

The appointment of company's directors has been according to the shareholder's meeting resolution after being considered by the Nominating and Remuneration committee and the Board of Directors, respectively. Currently (15 January 2013), there are 15 members of Board of Directors consisting of :

- a. 5 person Independent Directors which one-third of the Board of Directors
- b. 6 persons Executive Directors
- c. 4 persons Non-Executive Directors

Therefore, the stakeholders are able to confide that the directors are able to freely perform the duties as the representative of the shareholders with proper check and balance.

Control on the Company's Striated Information

The company has had the policy regarding the disclosure of accurate, complete, sufficient, and reliable information, transparency, financial report, and disclosure of other financial information regarding the business and the company's business performance in a timely manner to shareholders and people. The Board of Directors has strictly taken care of the compliance with the laws, regulations, and relevant rules regarding the disclosure of information and transparency. When the company's directors or executives have changed the ownership according to the Securities and Exchange Commission's requirement, this change shall be reported in the Board of Directors' meeting every month and the report of the change of ownership shall be submitted to the company after submitting to the Securities and Exchange Commission every time of the change.

Regarding the control of the company's striated information, the company views that this is the responsibilities of the directors, executives, and employees to strictly maintain the company's confidential information, especially the striated information not yet open to the public or information that may impact the company's business operations or stock price, or information obtained from the directors, executives or employees for the purpose of their own interest or for the businesses that compete with the company or relevant businesses. They shall not use the striated information for the purpose of trading the company's shares or shall not give the striated information to other people for the benefit of trading the company's shares, and shall not disclose the confidential information regarding the company's businesses to outsiders, especially the competitors, although the status of such directors, executives, or company's employees has been terminated. The company has applied the control system of the use of the company's striated information such as the system for protecting the access to the company's information from outsiders, the identification of the level of access to the company's information for employees at various levels according to their responsibilities, etc. In case that the executives or employees play the role in working on the ad-hoc project regarding the information that has not yet to the public or information in the process of negotiation and such project has been viewed as the maintenance of striated information that may impact the movement of the company's stock price, such executives and employees shall maintain the striated information until the disclosure of information to the Stock Exchange of Thailand and Securities and Exchange Commission. The control of the company's striated information. The company has identified on the work regulations



for every level of employees under the category of disciplinary and punishment and in case that any employee avoids or violates the disciplinary identified, such employees shall be views as committing the disciplinary offenses and shall be punished according to types of offenses.

Relationship with Investors

The company has paid attention to the disclosure of accurate and transparent information by disclosing such information via the Stock Exchange of Thailand and the relevant units according to the specified rules and by disseminating the information on the company's website : (www.tstegroup.com) and in case that the shareholders or investors would like to contact the company, they shall contact the company at :

Office of Secretary

Thai Sugar Terminal Public Company Limited

90 Moo 1 Soi Siam Silo, Sam Rong Klang Sub-district

Phra Pra Daeng District, Samut Prakarn Province 10130

Tel. 02-183-4567

or email to the company at E-mail Address : t_s_t_e@yahoo.com and attention to the company secretary.

9. Transactions between the company and its related parties

These are the transaction

Approval of the transactions between associated companies , the Company will follow procedures to control transactions between the Company and its related parties including associating with persons who may have conflicts of interest or potential conflict of interest in the future according to the announcement of the Securities and Exchange Commission of Thailand. In addition, the company assigns the audit committee to comment on the needs, rationality and appropriate pricing of transactions that occur by considering the conditions according to the nature of the trading market and make comparison to third parties. The committee, and the board in general, needs to make sure that it carefully considers all relevant aspects of the transactions. In case the Committee is not specialize in the transaction occurred, the Company will bring in experts such as auditor, property appraiser etc. who is independent from the company and with no conflicts of interest to consider and comment on such transactions. The comments will be applied to the decisions of the Audit Committee and then presented to the Board of Directors or the shareholders meeting for consideration and approval.

In addition, the company has determined the measures that either the executives or stakeholders can't participate in the transaction that they are involved both directly and indirectly. Besides, the Board of Directors will oversee the company to ensure that all things will be in compliance with the Securities and Exchange regulations and requirements of The Stock Exchange of Thailand as well as are met all the disclosure requirements related transactions and the acquisition or disposition of the assets of the Company and its subsidiaries complying with accounting standards set by the Federation of accounting Professions. The related transactions will be disclosed in the notes to the financial statements or to be audited or reviewed by the auditors of the Company and will be disclosed in the annual statement (Form 56-1) and the annual report.

Potential Inter- Company Transactions

Transactions that may occur in the future, the conditions are consistent with the nature of trade in general and referred to the market price. The Company and /or the group of companies consign the Audit Committee and / or independent committee member to remark on the remuneration clinging to the necessity and practicability of the transactions. If there will be any transactions that happen to people who may have conflicts of interest, the company will perform according to the rules announced and / or regulations of the Securities and Exchange Commission and / or the Stock Exchange of Thailand. The company may consign an independent expert or an auditor of a company to comment on such transactions. The comments will be used for the Board of Directors or shareholders to make a decision. As the case, The Companies will disclose related transactions in the notes to financial statements which have been audited by the company's auditor.

Transactions between the company and its subsidiaries, respective companies and persons who may have conflicts of interest that may occur in the future, the conditions will be in accordance with the nature of trade business. Therefore it is necessary to clearly have related transaction policies which sensible and latch on to the market price referred to the Securities and Exchange Commission Act 2551 (No. 4) Act 2551 Section 89/12 (1) The list will be presented to the Audit Committee to consider and review and express opinion on the rationality of transactions every quarter.

Transactions between the company and its subsidiaries, respective companies, persons who may have conflicts of interest that does not conform to normal commercial conditions, the company assigns the audit committee to comment on the needs, rationality and appropriate pricing of transactions that occur by considering the market price and compare the price made to third parties. The committee, and the board in general, needs to make sure that it carefully considers all relevant aspects of the transactions. In case the Committee is not specialize in the transaction occurred, the Company will bring in experts such as auditor, property appraiser etc. who is independent from the company and with no conflicts of interest to consider and comment on such transactions. The comments will be applied to the decisions of the Audit Committee.

However transactions that may rise to conflicts of interest, the Company has determined the measures that executive directors and stakeholders can participate in the approved list in both direct and indirect. The Board of Directors will ensure that the company is in compliance with the laws of the Securities and Exchange Commission and regulations or requirements of the Stock Exchange of Thailand, the Capital Market Supervisory Board -SEC, rules regarding the disclosure of information concerning the acquisition or disposition of the company and its subsidiaries assets according to the SET, the Capital Market Supervisory Board-SEC and / or related agencies and accounting standards set by the Federation of Accounting Professions of Thailand.

Principles of trade agreements with general business conditions in the transaction between Company and / or its subsidiaries, directors, executives or persons involved

Securities and Exchange Act (No. 4) (Amendment) Under Section 89/12, which determines how the transaction between the companies and its subsidiaries, directors, executives or persons involved (as defined in the Act. above) ("Transactions") on a set that Section Director 89/12 "directors, executives or persons involved may conduct transactions with related companies or subsidiaries only when the transactions have been approved by the company's shareholders unless the transactions fall into one of the following classifications:

- (1) Transaction which is a trade agreement made to general contractors in the same situation with negotiation authority that is deprived of any effect on their status as directors, executives or individuals with relevant case. And have been approved by the Board of Directors /or in accordance with approved principles of the Board of Directors.
- (2) Loan relief officials and employees program
- (3) Transactions of the other party or parties are listed as:
 - (A) Subsidiary which the company is the major shareholders of not less than ninety percent of the total issued shares or
 - (B) Subsidiary which Director or the relevant person holds shares or has an interest either directly or indirectly not exceed the rate or amount that the Capital Market Supervisory Board declared.
- (4) Transactions that are not exceed the amount or rate declared by the Capital Market Supervisory Board.

Prescribed in accordance with (3) (b) or (4), the Capital Market Supervisory Board may require that the transaction must be approved by the Board of Directors as well.

And In order to comply with such provisions, the principle should be considered of entering into the transaction :

"The Executive is able to approve the transaction between the parties, between the Company and / or its subsidiaries, directors, executives or persons involved (Whether such transactions are conducted in the present and will continue to will be held in the future) without approval from the Board of Directors and the shareholders if the transaction is a trade agreement made to general contractors in the same situation with negotiation authority that is deprived of any effect on their status as directors, executives or individuals with relevant case".



Related Transactions

Persons who have Conflict of Interest and Related Transactions

Name of Company / Business Type	Nature of Relationship	Name of Major Shareholders	Name of Directors
Khon Kaen Sugar Public Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 23.82% 2) Have 3 co-directors : 1. Mr. Prapas Chutimavoraphand 2. Mr. Chalush Chinthammit 3. Mr. Somchai Chinthammit	As of 31 October 2012 1. K.S.L. Sugar holdings Company Limited 32.26% 2. *Mr. Chanachai Chutimavoraphand 2.76% 3. Mr. Somchai Chinthammit 1.92% 4. Mr. Chalush Chinthammit 1.04% Khon Kaen Sugar Public Company Limited, At the end of fiscal year 2012 on 31 October 2012 <u>Note</u> * Mr. Chanachai Chutimavoraphand is the director of Thai Sugar Terminal Public Company Limited and is an Executive Vice President of Khon Kaen Sugar Public Company Limited Finance and Accounting	1. Mr. Manu Leowpairoj 2. Mr. Jamroon Chinthammit 3. <u>Mr. Prapas Chutimavoraphand</u> 4. Mr. Pornsilp Taamsirichai 5. <u>Mr. Somchai Chinthammit</u> 6. Mr. Supasorn Sukanin 7. Mr. Trakarn Choonharojrit 8. Ms. Duangkae Chinthammit 9. Ms. Duangdao Chinthammit 10. Mr. Thatchapong Pakornsiriwongse 11. <u>Mr. Chalush Chinthammit</u> 12. Mr. Chattri Chinthammitr 13. Mr. Sukhum Tokaranyaset 14. Mr. Thawatchai Rojanachotkul 15. Mr. Somchart Chinthammitr 16. Mr. Pramoon Vichiansin 17. Police General Boonpen Bampenboon 18. Mr. Sitti Leelkasemrerk
Ratchaburi Sugar Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 4.74% 2) Have 1 co-director : Ms. Jutatip Arunanondchai	As of 31 December 2012 1. Mr. Soontorn Arunanondchai 37.50% 2. Mrs. Araya Arunanondchai 37.50% 3. Thippamas Company Limited 25.00%	1. Mr. Soontorn Arunanondchai 2. Mrs. Araya Arunanondchai 3. Mr. Suwit Arunanondchai 4. <u>Ms. Jutatip Arunanondchai</u> 5. Ms. Juthamas Arunanondchai 6. Mr. Tritip Arunanondchai
Prachuab Industry Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 9.72% 2) Have 1 co-director : 1. Mr. Pong Chinthammit 2. Mr. Win Chinthammit	As of 31 December 2012 1. Mr. Weera Chinthammit 9.75% 2. Mr. Pong Chinthammit 8.80% 3. Ms. Wanida Chinthammit 4.73% 4. Mr. Win Chinthammit 2.78%	1. Mr. Weera Chinthammit 2. <u>Mr. Pong Chinthammit</u> 3. Mrs. Patcharee Chinthammit 4. <u>Mr. Win Chinthammit</u>
Mitr Kaset Industry Company Limited, Sugar Manufacturing Factory	1) Holding shares in Thai Sugar Terminal Public Company Limited of 4.18% 2) Have 1 co-director : Mr. Narong Chenlarpwatanakul	As of 31 December 2012 1. Mr. Mu Chenlarpwatanakul 22.29% 2. Mr. Prayoon Chenlarpwatanakul 16.43% 3. Mr. Prasarn Cenlarpwatanakul 16.36% 4. Mr. Narong Chenlarpwatanakul 5.74%	1. Mr. Fa Chenlarpwatanakul 2. Mr. Anon Kaewpruksapimol 3. Mr. Mu Chenlarpwatanakul 4. Mr. Prayoon Chenlarpwatanakul 5. Mr. Prapat Chenlarpwatanakul 6. Mrs. Napaporn Poowuttikul 7. <u>Mr. Narong Chenlarpwatanakul</u> 8. Mr. Prawing Chenlarpwatanakul 9. Mr. Prasutr Chenlarpwatanakul



9. Inter-Company Transaction Items

Detailed data on inter-company transaction items between the Company, subsidiaries, and related companies are shown in the notes to the Company's Financial Statement No. 6, as of 31st December 2012 and 2011. Such items were verified by the Company's Audit Committee, who suggested that those items followed general conditions and normal business running.

9.1 The Characteristics of Inter-Company Transaction Items, Conditions, and Pricing Policy

The pricing of inter-company transaction items between related companies has been done by considering the appropriateness in terms of market price references, and other conditions not significantly different from the market. The characteristics of the inter-company transaction items are as follows:

9.1.1 Normal Business Service Arrangements for Y2012 Installment ending 31st December 2012, and Y2011 Installment ending 31st December 2011

Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2012	Y2011
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. provides warehouse rental to subsidiary at the rate depending on space and duration of the lease, and consistent with the market price.	30.63	30.53
	T S FLOUR MILL PUBLIC CO., LTD.		1.98	1.98
	T S TRANSPORT AND LOGISTICS CO., LTD.		1.89	1.89
	TS OIL INDUSTRY CO., LTD.		3.21	3.21
T S FLOUR MILL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	The Group Subsidiaries provides warehouse rental service to T S WAREHOUSE CO., LTD. at the rate depending on space and duration of the lease, and consistent with the market price.	1.22	-
T S G ASSET CO., LTD.			6.37	5.58
TS OIL INDUSTRY CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	TS OIL INDUSTRY CO., LTD. provides warehouse rental service to T S FLOUR MILL PUBLIC CO., LTD. at the rate depending on space and duration of the lease, and consistent with the market price.	2.94	2.69
THAI SUGAR TERMINAL PUBLIC CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. provides the goods transfer service for export sugar to the group of sugar factories at the rate depending on the volume of goods, consistent with the standard market price.	19.70	11.82
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		24.72	12.99
	PRACHAUP INDUSTRY CO., LTD.		12.30	5.42
	TAMAKA SUGAR INDUSTRY CO., LTD.		9.31	5.87
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		5.36	3.30



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2012	Y2011
	RAJBURI SUGAR CO., LTD.		8.50	8.82
	MITR KASET SUGAR INDUSTRY CO., LTD.		6.07	1.31
	Eastern Sugar & Cane Co., Ltd.		0.29	0.92
T S WAREHOUSE CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. provides the transfer of bulk raw sugar to THAI SUGAR TERMINAL PUBLIC CO., LTD. at the rate depending on the volume of goods, consistent with the market price.	23.33	26.73
T S WAREHOUSE CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. provides the transfer of bulk raw sugar to the group of sugar factories at the rate depending on the volume of goods, consistent with the market price.	2.55	1.10
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		1.90	1.78
	PRACHAUP INDUSTRY CO., LTD.		1.02	0.15
	TAMAKA SUGAR INDUSTRY CO., LTD.		1.15	0.51
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		0.56	0.46
	MITR KASET SUGAR INDUSTRY CO., LTD.		0.97	1.41
	RAJBURI SUGAR CO., LTD.		0.82	0.20
THAI SUGAR TERMINAL PUBLIC CO., LTD.	RAJBURI SUGAR CO., LTD.	The company offers deposit products and molasses. The company is charged on the general market.	-	0.07
T S WAREHOUSE CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD. provides depository warehouse service for sugar export at the rate depending on the volume of goods and duration of deposit, consistent with the market price.	5.84	4.47
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		7.38	3.89
	PRACHAUP INDUSTRY CO., LTD.		4.98	2.80
	TAMAKA SUGAR INDUSTRY CO., LTD.		4.51	2.50
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		2.05	1.27
	RAJBURI SUGAR CO., LTD.		2.98	2.70
	MITR KASET SUGAR INDUSTRY CO., LTD.		1.82	0.90
	Eastern Sugar & Cane Co., Ltd.		-	0.09



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2012	Y2011
KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. - Compensation for the transfer of sugar via port, at the rate depending on the length and volume of goods through port under the sales discount account, for which THAI SUGAR TERMINAL PUBLIC CO., LTD. will use the standard compensation rate.	3.85	3.09
NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.			4.45	3.54
PRACHAUP INDUSTRY CO., LTD.			1.15	0.66
TAMAKA SUGAR INDUSTRY CO., LTD.			2.18	0.94
RAJBURI SUGAR CO., LTD.			1.35	1.27
MITR KASET SUGAR INDUSTRY CO., LTD.			1.32	0.36
NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.			1.54	1.21
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. provides utility service to T S TRANSPORT AND LOGISTICS CO., LTD. at the rate actually paid. Shovel tractor and weighing service at the market rate.	0.02	0.02
	T S FLOUR MILL PUBLIC CO., LTD.		0.01	0.01
	T S G ASSET CO., LTD.		0.22	0.19
	TS OIL INDUSTRY CO., LTD.		0.01	-
	T S FLOUR MILL PUBLIC CO., LTD.	<u>Charged through the docking port.</u> Charged loaders.	3.03	-
	TS OIL INDUSTRY CO., LTD.	And service scale products The charges are based on market prices.	0.34	0.45
	T S TRANSPORT AND LOGISTICS CO., LTD.		0.01	0.01
T S TRANSPORT AND LOGISTICS CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD. Provide security services to businesses The charges are based on market prices.	1.55	2.13
	T S WAREHOUSE CO., LTD.		2.99	1.13
	T S FLOUR MILL PUBLIC CO., LTD.		0.82	0.60
	TS OIL INDUSTRY CO., LTD.		0.82	0.60
	T S G ASSET CO., LTD.		0.82	0.54
	T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD. transport services to the Group. The company charges the market price	3.79	6.62
	THAI SUGAR TERMINAL PUBLIC CO., LTD.		0.02	-
	T S WAREHOUSE CO., LTD.		0.06	-



Service Provider of Service	Client	Item Characteristics / Key conditions	Amount (million baht)	
			Y2012	Y2011
PARA H-TECH CO., Ltd.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	PARA H-TECH CO., Ltd. providing car rental services to the Company and its subsidiaries are market prices.	-	0.36
THAI SUGAR TERMINAL PUBLIC CO., LTD.	TS OIL INDUSTRY CO., LTD.	Company sold the car to TS OIL INDUSTRY CO., LTD. The charges are based on market prices.	1.45	-
T S TRANSPORT AND LOGISTICS CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD. sells plastic sack to the Group Companies at the market rate.	10.64	9.31
	TS OIL INDUSTRY CO., LTD.		-	-
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.		12.95	2.59
	MITR KASET SUGAR INDUSTRY CO., LTD.		4.43	0.52
	TAMAKA SUGAR INDUSTRY CO., LTD.		6.06	4.50
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.		3.98	2.83
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.		-	2.75
	PRACHAUP INDUSTRY CO., LTD.		-	1.73
	RAJBURI SUGAR CO., LTD.		-	0.02

The above inter-company transaction items are consistent with the normal business service conditions, and were verified at the Board of Directors' Meeting No. 1/2013 dated 22 February 2013.

Nevertheless, in order to abide by the Securities and Exchange Act (No. 4) B.E. 2008, the Board of Directors' Meeting No. 8/2008 on 31 July 2008 approved in principle that the management was authorized to approve transactions of normal, business support, or general trade types, and submitted a report of such transactions to every meeting of the Board of Directors.



9.1.2 Volume of Accrual and Other Items as of 31st December 2012 and 31st December 2011

Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2012	Y2011
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	Account receivable	-	0.90
		Other receivables	-	1.90
		Account payable	0.26	1.45
		Deposit received from warehouse rental	0.97	4.95
		Accrued interest	-	0.09
	T S FLOUR MILL PUBLIC CO., LTD.	Deposit received from warehouse rental	1.03	1.03
		Accrued revenue	2.91	-
	TS OIL INDUSTRY CO., LTD.	Accrued Interest	-	0.60
		Account receivable	0.01	0.04
		Deposit received from warehouse and land rental	1.39	1.39
	T S TRANSPORT AND LOGISTICS CO., LTD.	Deposit received from warehouse and land rental	0.66	0.63
		Other receivables	0.03	-
	T S G ASSET CO., LTD.	Accrued revenue	0.02	0.02
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	1.91	0.27
		Other receivables	-	0.72
		Accrued discount payable	0.78	0.18
	RAJBURI SUGAR CO., LTD.	Account receivable	0.13	0.71
		Accrued discount payable	2.92	1.56
		Other receivables	-	10.35
	MITR KASET SUGAR INDUSTRY CO., LTD.	Accrued discount payable	1.31	0.36
		Account receivable	0.03	-
	Eastern Sugar & Cane Co., Ltd.	Account receivable	-	0.01
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Account receivable	0.64	1.60
		Accrued discount payable	0.65	0.34
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Account receivable	-	0.35
		Accrued discount payable	0.22	0.11
	PRACHAUP INDUSTRY CO., LTD.	Account receivable	0.02	-
	TAMAKA SUGAR INDUSTRY CO., LTD.	Accrued discount payable	0.36	-



Companies with Inter-Company Accrual Items		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2012	Y2011
T S WAREHOUSE CO., LTD.	TS OIL INDUSTRY CO., LTD.	Accrued Interest	0.50	0.14
	T S TRANSPORT AND LOGISTICS CO., LTD.	Accrued Interest	0.01	0.02
	T S G ASSET CO., LTD.	Deposit paid for warehouse rental	1.06	1.06
	RAJBURI SUGAR CO., LTD.	Account receivable	0.19	0.51
	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	5.31	0.05
	NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Account receivable	0.68	1.60
	TAMAKA SUGAR INDUSTRY CO., LTD.	Account receivable	0.15	0.43
	NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Account receivable	0.26	0.43
T S WAREHOUSE CO., LTD.	MITR KASET SUGAR INDUSTRY CO., LTD.	Account receivable	0.03	0.10
	PRACHAUP INDUSTRY CO., LTD.	Account receivable	0.02	-
T S FLOUR MILL PUBLIC CO., LTD.	T S TRANSPORT AND LOGISTICS CO., LTD.	Account payable	0.82	0.39
		Accrued transport expenses	-	0.28
	TS OIL INDUSTRY CO., LTD.	Deposit paid for warehouse rental	0.49	0.49
T S G ASSET CO., LTD.	TS OIL INDUSTRY CO., LTD.	Accrued interest	0.09	0.04
	T S TRANSPORT AND LOGISTICS CO., LTD.	Accrued interest	0.02	0.02
T S TRANSPORT AND LOGISTICS CO., LTD.	KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Account receivable	-	2.78
	PRACHAUP INDUSTRY CO., LTD.	Account receivable	-	0.93
	TAMAKA SUGAR INDUSTRY CO., LTD.	Account receivable	-	1.85

There are other companies as well		Item Type	Amount (million baht)	
Company	Person /Juristic Person with Possible Conflict of Interest		Y2012	Y2011
THAI SUGAR TERMINAL PUBLIC CO., LTD.	TS Flour Mill Public Company Limited	THAI SUGAR TERMINAL PUBLIC CO., LTD. receive dividends from its subsidiaries	98.82	-

**9.1.3 Land Rental for Y2012 Installment ending 31 December 2012, and Y2011 Installment ending 31 December 2011**

Lesser	Lessee	Key Item Characteristics	Amount (million baht)	
			Y2012	Y2011
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S WAREHOUSE CO., LTD.	Rent land of 8,767 square meters to build a bulk warehouse for depository goods.	2.30	2.30
	T S FLOUR MILL PUBLIC CO., LTD.	Rent land of 7,013 square meters to build an office building and a wheat production factory.	6.81	4.55
	T S G ASSET CO., LTD.	Rent land of 520 square meters. Residential building for rent.	0.09	0.09
		Rent land of 6,250 square meters to build a bulk warehouse for renting.	1.12	1.12
	TS OIL INDUSTRY CO., LTD.	Rent land of 2,880 square meters to building bulk warehouse for rent warehouse	0.52	0.52
		Rent land of 6,526 square meters to build a palm oil refinery building.	2.74	2.74
	T S TRANSPORT AND LOGISTICS CO., LTD.	Rent land of 4,500 square meters to run a sack weaving factory business. Rent land of 200 square meters to run a transportation business.	0.83	0.83

Necessity and Reasonability : THAI SUGAR TERMINAL PUBLIC CO., LTD. rents out land to subsidiaries to run a business with the lease contract of 1 year and 3 years. Upon maturity, the contract can be extended up to 30 years, which are normal business arrangements without special conditions, and no transfer of benefits between companies and related parties. The pricing will be consistent with the normal rate and can be compared with the pricing made with other unrelated parties. The Audit Committee has verified the inter-company transaction items between the Company and subsidiaries, and suggests that those items are normal business running items, which are necessary and reasonable for the maximization of the Company's benefits.

**9.1.4 Loans / Inter-Company Loans between the Company and Subsidiaries, Y2012 Installment ending****31 December 2012**

Unit : million baht

Borrower	Lender	Balance Brought Forward	New loans	Repayment	Balance	Paid Interest
		1 st Jan 2012	Between Installment	Between Installment	31 st Dec 2012	Y2012
THAI SUGAR TERMINAL PUBLIC CO.,	T S WAREHOUSE CO., LTD.	25	-	(25)	-	0.32
TS OIL INDUSTRY CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO.,	70	-	(70)	-	1.91
	T S WAREHOUSE CO., LTD.	35	75	10	100	1.71
	T S G ASSET CO., LTD.	16	8	-	24	0.50
T S TRANSPORT AND LOGISTICS CO., LTD.						
	T S G ASSET CO., LTD.	5	3	2	6	0.11
	T S WAREHOUSE CO., LTD.	10	-	1	9	0.18

Necessity and Reasonability : Transactions above are to provide financial support to the Company and subsidiaries as working capital for the business running. Loans have a payback period within 1 year to 5 years, paying interest every 1 and 3 months at the interest rate equivalent to that of 3-month fixed deposit interest of commercial banks plus 0.75 percent per annum and MLR-2, which is lower than the interest rate for loan from financial institutions. The lender will also obtain an interest rate return higher than a deposit from financial institutions. In case that the lender has a higher financial cost, the interest rate will be equal to the loan rate of a financial institution from which the lender has borrowed. The Company's Audit Committee has verified the inter-company items between the Company and subsidiaries, and suggests that such items are financial assistance items in the normal business running, which are necessary and reasonable for the maximization of the Company's benefits.

**9.1.5 Guarantee as of 31st December 2012 and 31st December 2011**

The Company has committed to credit facility guarantee received from the bank, as follows:

Unit : million baht

Company who uses credit loan	Company who guarantees debt repayment	Promissory Notes and Loans from Financial Institutions		Necessity and Reasonability
		As of 31 st Dec 2012	As of 31 st Dec 2011	
THAI SUGAR TERMINAL PUBLIC CO., LTD.	T S FLOUR MILL PUBLIC CO., LTD.	299.59	-	To invest additional fund in the wheat factory business. ^{1/}
T S FLOUR MILL PUBLIC CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	220.16	440.49	To use as working capital for the purchase of raw materials from abroad. ^{2/}
T S TRANSPORT AND LOGISTICS CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD.	15.70	3	To invest in production machinery and raw materials for the production of plastic sacks. ^{3/}
TS OIL INDUSTRY CO., LTD.	THAI SUGAR TERMINAL PUBLIC CO., LTD. and T S FLOUR MILL PUBLIC CO., LTD.	707.17	695	To invest in machinery and palm oil factory. ^{4/}

^{1/} In 2012, Thai Sugar Terminal Public Company Limited had the long-term loan from financial institutions. Its limit was 190 million Baht. The Company spent the loan in an amount of 175 million Baht and returned the first installment of 23.75 million Baht in December, 2012. The remaining amount was 151.25 million Baht. The purpose of such loan was to purchase the land area of 13 Rai 82 Square wah and improve the warehouses. Regarding to the limit loan of 50 million Baht during 2012, the Company repaid the principal in an amount of 1.66 million Baht, and the remaining amount was 48.34 million Baht in order to purchase the land area of 13 Rai 63 Square wah. In addition, the Company also borrowed the short-term loan from financial institutes in the form of promissory note, valuing 100 million Baht in order to invest in the palm oil industry. T S Flourmill Public Company Limited was the guarantor was an guarantor of debt repayment in the limit of 330 million Baht.

^{2/} T S FLOUR MILL PUBLIC CO., LTD. borrowed short-term loans from financial institutions in the form of 95 million promissory note payable and trust receipts and letters of credit totaling 125.16 million to purchase wheat. Together T S FLOUR MILL PUBLIC CO., LTD. and THAI SUGAR TERMINAL PUBLIC CO., LTD. jointly guaranteed the total debt repayment within the limit of 1,365 million baht.

^{3/} T S TRANSPORT AND LOGISTICS CO., LTD. In 2012, the Company has short-term loans from financial institutions in the form of a promissory note for the purchase of raw materials, production of 15 million plastic bags accounts potable and trust receipts of 0.7 million baht for the purchase of plant machinery mill by THAI SUGAR TERMINAL PUBLIC CO., LTD. and as guarantor to pay the amount of 85 million baht.

^{4/} TS OIL INDUSTRY CO., LTD. obtained a short-term loan of 670 million baht and company has trust receipts of 37.17 million baht for investment in machinery and equipment used in oil production by the Thai Sugar Terminal Public Co.,Ltd and T S FLOUR MILL PUBLIC CO., LTD. jointly guaranteed the debt of the amount of 525 million baht in the year 2011, the Company repaid a loan of 10 million, leaving 136 million baht.



The Company terminated the surety ship contract for the guarantee of debt payment of T S Flourmill Public Company Limited in the limit of 1,365 million Baht. The financial institute offering the loan completely notified the termination of such contract on September 28, 2012. Additionally, the Company also cancelled the collective security in the land and building of warehouse which was the proprietary of the Company by withdrawing the name of such subsidiary from the mutual mortgagor on November 7, 2012 and the subsidiary terminated the surety ship contract for the guarantee of debt payment of the Company Group in the limit of 855 million Baht. The financial institute offering the loan completely notified the termination of such contract on November 1, 2012. Additionally, the Company also cancelled the collective security in the factory building and all machineries which were the proprietary of the subsidiary by withdrawing the name of such subsidiary from the mutual mortgagor on November 7, 2012.

9.2 Necessity and Reasonability of Transactions

The arrangement of such inter-company transaction items are necessary and reasonable in terms of the maximization of the Company's benefits. As for the year 2012 and 2011, the Company had inter-company transaction items with its subsidiaries and persons who may have conflicts of interest with the Company. These items are normal business arrangements without special conditions, and no transfer of benefits between companies and related parties.

The pricing of service charge and/or interest rates will be consistent with the normal rates, and can be compared with the pricing made with other unrelated parties, as already published in the notes to Financial Statements for the years 2012 and 2011.

The Company's Audit Committee has verified the inter-company transaction items between the Company and its subsidiaries, including warehouse rental, land rental, service charges, borrowings, loan interests, and those items that were already published in the notes to Financial Statements for the years 2012 and 2011, and suggests that those items are normal business arrangements, which are necessary and reasonable for the maximization of the Company's benefits.

9.3 Measures or Approval Procedures for Inter-Company Items

The Company has a policy concerning inter-company items as follows. Such items must be based on the ground of necessity and reasonability for the maximization of the Group companies' benefits. The pricing and conditions of such items must be indifferent from those items made to other unrelated parties. In case that the inter-company items have significant content, the Company will get approval from the Audit Committee, the Board of Directors, and the Shareholders' Meeting if necessary. In these meeting, votes must be counted, yet an interested committee or shareholder will have no right to vote. In any case, any arrangements must follow the related regulations set out by the Stock Exchange of Thailand.

9.4 Policy or Tendency for Inter-Company Items in the Future

Normal trade items such as warehouse rental, transfer of goods, depository service, security expense, transportation service between the Company, its subsidiaries, and related companies, will be retained. The Company will proceed with the aim towards the Company's benefits, and price according to the market rate.

Space rental items will follow the market price, and equal to the rental price giving to other parties.

Loans from person with possible conflicts of interest The Company has no policy to borrow from a person who may have conflicts of interest in the future. Except such a borrowing is made as financial support to the Company, its subsidiaries, and joint companies as seen appropriate.



Other special items are other items other than already mentioned in No. 1-4.

For inter-company transaction items that occurred between the Company or its subsidiaries and a person with possible conflicts of interest, stake-holding, or other conflicts of interest in the future, the Company will request the Audit Committee to advise on the necessity and reasonability of such items. In case that the Audit Committee has no required expertise in the consideration of such items, the Company will invite an independent expert or the Company's auditor to advise on the issue, so that the Board of Directors or Shareholders, depending on the case, shall use in the decision-making.

Nonetheless, for inter-company transaction items that may be occurred in the future, the Board of Directors will ensure that any action taken will follow the laws concerning securities and the stock market, rules and regulations, announcements, orders, or requirements of the Stock Exchange of Thailand, as well as the requirements on the disclosure of information regarding the related items, and acquisition or dispose of main assets of the Company or of its subsidiaries.



10. Financial Status and Performance

10.1 Financial Statement

10.1.1 Summary of Auditor Report

In 2012 and 2011 the company's financial statements and consolidated financial statements of the Company and its subsidiaries. Reviewed by Ms. Praphasri Leelasupa of AMC Office Co., Ltd., with CPA No. 4664 from AMC Office Co., Ltd., which financial statements for the year ended December 31, 2012 have been prepared in accordance with accounting standards and financial reporting. In 2012 the Company adopted the Financial Report out several new and revised edition, issued by the Federation. Which requires compliance with the financial statements for fiscal years beginning on or after 1 January 2011 onwards, the Company changed its accounting policy on accounting. By the first consolidated financial statements and Separate financial statements as of December 31, 2010 to reflect changes since the implementation of the report and updated. Changes in accounting policies that comply with the decision very carefully. And has been adequately disclosed in the notes to the financial statements and have been audited and an unqualified opinion from independent auditors. The financial statements reflect the financial position. Overall result And cash flows in recent years that is transparent and beneficial to the shareholders and investors.



10.1.2 Summary of Financial Statement

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS

For the year ended December 31, 2010 to December 31, 2012

Unit : Thousand Baht

Balance Sheets	Audited					
	2010	%	2011	%	2012	%
Assets	(Restated)		(Restated)			
Cash and cash equivalent items	56,994	2.57	102,104	3.70	137,025	3.85
Trade accounts receivable-net	237,754	10.71	300,524	10.89	288,395	8.11
Current portion of long-term investment	750	0.03	-	-	431	0.01
Inventories	269,819	12.16	691,061	25.03	1,166,760	32.80
Real estate development cost	40,272	1.81	39,252	1.42	25,256	0.71
Other current assets	12,004	0.54	7,360	0.27	9,622	0.27
Total current assets	617,593	27.83	1,140,301	41.30	1,627,489	45.75
Non-current assets						
Investments in subsidiary companies	-	-	3,161	0.11	3,555	0.10
Long-term loan	2,966	0.13	-	-	-	-
Investment Property	80,912	3.65	80,452	2.91	240,288	6.75
Property, plant and equipment-net	1,516,971	68.36	1,532,285	55.50	1,681,406	47.26
Other non-current assets	759	0.03	4,580	0.17	4,844	0.14
Total non-current assets	1,601,608	72.17	1,620,478	58.70	1,930,093	54.25
Total assets	2,219,201	100.00	2,760,779	100.00	3,557,582	100.00
Liabilities						
Overdrafts and Short-term loans from financial institutions	457,281	20.61	942,493	34.14	1,043,034	29.32
Trade accounts payable	89,932	4.05	104,388	3.78	359,066	10.09
Portion of long-term debt due within one year.	60,000	2.70	80,000	2.90	57,460	1.62
Accrued income tax payable	22,648	1.02	26,327	0.95	8,940	0.25
Accrued discounts payable	21,560	0.97	19,515	0.71	14,681	0.41
Long-term lease	-	-	-	-	1,635	0.05
Other current liabilities	14,649	0.66	14,962	0.54	13,892	0.39
Total current liabilities	666,070	30.01	1,187,685	43.02	1,498,708	42.13
Long-term loans	206,000	9.28	116,000	4.20	142,130	4.00
Long-term lease obligations - net	-	-	-	-	7,856	0.22
Deposit received from warehouse and land rental	2,523	0.11	2,263	0.08	874	0.02
Liabilities for employee benefits	21,283	0.96	26,392	0.96	19,035	0.54
Other non-current liabilities	761	0.03	797	0.03	1,346	0.04
Total non-current liabilities	230,567	10.39	145,452	5.27	171,241	4.81
Total liabilities	896,637	40.40	1,333,137	48.29	1,669,949	46.94
Shareholders' equity						
Authorized share capital	132,000	5.95	132,000	4.78	132,000	3.71
Issued and paid-up share capital	132,000	5.95	132,000	4.78	132,000	3.71
Other components of equity shares.	501,507	22.60	501,707	18.17	700,166	19.68
Retained earnings						
Appropriated : Legal reserve	13,200	0.59	13,200	0.48	13,200	0.37
Unappropriated	606,342	27.32	702,618	25.45	788,094	22.15
Total shareholders' equity of the company	1,253,049	56.46	1,349,525	48.88	1,633,460	45.91
Minority shareholders' equity	69,515	3.13	78,117	2.83	254,173	7.14
Total shareholders' equity	1,322,564	59.60	1,427,642	51.71	1,887,633	53.06
Total liabilities and shareholders' equity	2,219,201	100.00	2,760,779	100.00	3,557,582	100.00



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE BALANCE SHEETS
For the year ended December 31,2010 to December 31, 2012

Unit : Thousand Baht

Balance Sheets	Audited					
	2010	%	2011	%	2012	%
Assets	(Restated)		(Restated)			
Cash and cash equivalent items	4,412	0.43	11,550	1.14	10,132	0.68
Trade accounts receivable-net	16,624	1.62	17,025	1.68	9,277	0.62
Short-term loans to subsidiaries	19,000	1.85	19,000	1.87	-	-
Real estate development cost	34,186	3.33	37,223	3.66	23,228	1.56
Other current assets	689	0.07	768	0.08	1,039	0.07
Total current assets	74,911	7.29	85,566	8.42	43,676	2.93
Non-current assets						
Investments in subsidiaries	508,543	49.51	508,543	50.04	805,741	54.12
Long-term loans to related parties.	73,000	7.11	51,000	5.02	-	-
Long-term loan	2,523	0.25	2,724	0.27	3,555	0.24
Investment Property	77,943	7.59	76,005	7.48	266,030	17.87
Property, plant and equipment-net	290,201	28.25	291,243	28.66	365,662	24.56
Other non-current assets	22	0.00	1,181	0.12	4,009	0.27
Total non-current assets	952,232	92.71	930,696	91.58	1,444,997	97.07
Total assets	1,027,143	100.00	1,016,262	100.00	1,488,673	100.00
Liabilities						
Overdrafts and Short-term loans from financial institutions	34,000	3.31	-	-	100,000	6.72
Trade accounts payable	4,983	0.49	10,134	1.00	12,367	0.83
Trade accounts payable subsidiary	-	-	25,000	2.46	-	-
The long-term debt due within one year	20,000	1.95	-	-	57,460	3.86
Accrued income tax payable	1,846	0.18	9,184	0.90	1,472	0.10
Accrued discounts payable	21,560	2.10	19,515	1.92	14,682	0.99
Long-term lease	-	-	-	-	1,037	0.07
Other current liabilities	1,502	0.15	3,226	0.32	1,353	0.09
Total current liabilities	83,891	8.17	67,059	6.60	188,371	12.65
Long-term loans from subsidiaries	35,000	3.41	-	-	-	-
Long-term loans from financial institutions	-	-	-	-	142,130	9.55
Long-term lease obligations - net	-	-	-	-	5,577	0.37
Liabilities for employee benefits	13,327	1.30	15,010	1.48	11,713	0.79
Deposit and rent a warehouse and land	8,258	0.80	10,263	1.01	5,417	0.36
Total non-current liabilities	56,585	5.51	25,273	2.49	164,837	11.07
Total liabilities	140,476	13.68	92,332	9.09	353,208	23.73
Shareholders' equity						
Authorized share capital	132,000	12.85	132,000	12.99	132,000	8.87
Issued and paid-up share capital	132,000	12.85	132,000	12.99	132,000	8.87
Other components of equity shares.	230,501	22.44	230,702	22.70	279,774	18.79
Retained earnings						
Appropriated : Legal reserve	13,200	1.29	13,200	1.30	13,200	0.89
Unappropriated	510,966	49.75	548,028	53.93	710,491	47.73
Total shareholders' equity of the company	886,667	86.32	923,930	90.91	1,135,465	76.27
Total shareholders' equity	886,667	86.32	923,930	90.91	1,135,465	76.27
Total liabilities and shareholders' equity	1,027,143	100.00	1,016,262	100.00	1,488,673	100.00



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

For the year ended December 31, 2010 to December 31, 2012

Unit : Thousand Baht

Profit (loss)	Audited					
	2010	%	2011	%	2012	%
Revenue from services						
Revenue from services	112,992	6.64	266,687	12.99	364,772	13.52
Income from real estate	2,265	0.13	23,000	1.12	8,860	0.33
Revenue from the sale	1,700,486	60.45	2,052,850	100.00	2,697,479	100.00
Total revenue from operations	1,815,743	106.78	2,342,537	114.11	3,071,111	113.85
The cost of the operation						
Cost of services	60,634	3.34	109,789	4.69	143,978	4.69
Cost of real estate	1,605	0.09	14,321	0.61	13,996	0.46
Cost of sales	1,517,704	83.59	1,818,976	77.65	2,548,294	82.98
Total cost of operations	1,579,943	87.01	1,943,086	82.95	2,706,268	88.12
Margins	235,800	13.87	399,451	19.46	364,843	13.53
Income compensation from the insurance company	-	-	-	-	25,985	0.96
Dividend income	53	0.00	73	0.00	86	0.00
Other income	17,247	1.01	19,890	0.97	22,388	0.83
The cost of sales	(23,853)	(1.40)	(27,818)	(1.36)	(53,273)	(1.97)
The cost of administration	(94,101)	(5.53)	(104,882)	(5.11)	(125,979)	(4.67)
Loss of material damage by fire	-	-	(33,586)	(1.64)	-	-
Financial costs	(27,330)	(1.61)	(45,694)	(2.23)	(52,148)	(1.93)
Profit before income tax	107,816	6.34	207,434	10.10	181,902	6.74
Corporate income tax	(45,301)	(2.66)	(68,636)	(3.34)	(52,023)	(1.93)
Net profit	62,515	3.68	138,798	6.76	129,879	4.81
Income						
Attributable to shareholders of the parent company	66,120	3.64	127,956	5.46	117,156	3.81
Attributable to the non-controlling interests of subsidiaries.	(3,605)	(0.20)	10,842	0.46	12,723	0.41
Net profit	62,515	3.44	138,798	5.93	129,879	4.23
Profits per partner at the company's shareholders (Baht)	0.50		0.97		0.89	
Number of shares (thousand shares)	132,000		132,000		132,000	



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
Separate Statements of Income
For the year ended December 31, 2010 to December 31, 2012

Unit : Thousand Baht

Profit (loss)	Audited					
	2010	%	2011	%	2012	%
Revenue from services						
Revenue from services	116,993	99.30	200,625	91.58	247,025	96.54
Income from real estate	820	0.70	18,450	8.42	8,860	3.46
Total revenue from operations	117,813	100.00	219,075	100.00	255,885	100.00
The cost of the operation						
Cost of services	40,955	34.76	80,163	36.59	86,381	33.76
Cost of real estate	530	0.45	10,225	4.67	13,996	5.47
Total cost of operations	41,485	35.21	90,388	41.26	100,377	39.23
Margins	76,328	64.79	128,687	58.74	155,508	60.77
Dividend income	93,889	79.69	73	0.03	98,903	38.65
Other income	10,738	9.11	7,798	3.56	11,331	4.43
The cost of sales	(325)	(0.28)	(1,475)	(0.67)	(986)	(0.39)
The cost of administration	(28,104)	(23.85)	(33,939)	(15.49)	(35,949)	(14.05)
Financial costs	(5,594)	(4.75)	(1,967)	(0.90)	(6,934)	(2.71)
Profit before income tax	146,932	124.72	99,177	45.27	221,873	86.71
Corporate income tax	(14,812)	(12.57)	(30,435)	(13.89)	(27,730)	(10.84)
Net profit	132,120	112.14	68,742	31.38	194,143	75.87
Profits per partner at the company's shareholders (Baht)	1.00		0.52		1.47	
Number of shares (thousand shares)	132,000		132,000		132,000	


THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOW
For the year ended December 31, 2010 to December 31, 2012

Unit : Thousand Baht

Descriptions	Audited		
	2010	2011	2012
<u>Cash flows from operating activities</u>			
Net profit before tax	107,816	207,434	181,902
Adjustments to reconcile net income to net cash provided. (Used in) operating activities			
Dividend income	(53)	(73)	(87)
Income compensation from the insurance company	-	-	(25,985)
Loss of material damage by fire	-	33,586	-
Cost is higher than the loss of net worth to get	2,556	(2,556)	76,949
Loss of value of property development costs down.	-	-	8,234
Amortization of bond premium	3	5	5
Gain on disposal of other investments	-	-	25
Doubtful. (Reversal)	(1,240)	(2,993)	2,449
Depreciation	63,246	58,299	67,822
(Gain) loss on sale of assets and dismantled	318	(653)	(2,600)
Loss on impairment of investment property (Reversal)	-	-	(282)
Loss on impairment of property, plant and equipment	-	-	920
Liabilities for employee benefits	-	4,349	2,386
(Gain) loss on foreign exchange did not occur	1	249	(166)
Profits from the actuarial techniques	-	-	(9,065)
Interest	-	(713)	(992)
Expenses	26,303	44,785	50,962
Profit from operations before changes in operating assets and liabilities	198,950	341,719	352,477
<u>Operating assets (increase) decrease.</u>			
Accounts and notes receivable	(108,725)	(59,777)	9,687
Inventories	55,906	(452,272)	(552,648)
Property development costs	1,066	1,020	5,761
Current assets	583	3,727	(2,208)
Other non-current assets	(507)	(2,972)	(263)
<u>Liabilities increase (decrease)</u>			
Trade accounts payable	58,931	10,637	257,296
Accrued discount payable	4,353	(2,045)	(4,833)
Other current liabilities	11,165	312	(1,070)
Deposits received from rental of a warehouse and land	(4,345)	(260)	(1,389)
Obligation for employee benefits	-	(1,481)	(677)
Other non-current liabilities	703	36	549
Cash provided by (used in) operating activities.	218,080	(161,356)	62,682
Interest	-	713	984
Expenses	(29,184)	(44,675)	(50,847)
Compensation from the insurance company	-	-	25,985
Pay income tax	(36,572)	(64,958)	(68,559)
Net cash provided by (used in) operating activities	152,324	(270,276)	(29,755)

**THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES****CONSOLIDATED STATEMENTS OF CASH FLOW (CONT.)****For the year ended December 31, 2010 to December 31, 2012**

Unit : Thousand Baht

Descriptions	Audited		
	2010	2011	2012
Cash flows from investing activities			
Proceeds from dividends	53	73	87
Proceeds from redemption of long-term investment	4,500	750	2,960
Cash paid for investments in other long-term investments	(263)	-	(3,429)
Buy Investment Property	(273)	(1,036)	(159,813)
Purchase of property, plant and equipment	(179,990)	(65,032)	(95,934)
Proceeds from sale of fixed assets	1,362	1,193	2,783
Cash paid for purchase of intangible assets	-	(2,327)	-
Net cash provided by (used in) investing activities	(174,611)	(66,379)	(253,346)
Cash flows from financing activities			
Increase (decrease) in short-term loans from financial institutions	128,982	485,213	100,541
Increase (decrease) in short-term loans from other parties	(58,000)	-	-
Charges payable for the property	(3,033)	(1,767)	(7,674)
The long-term loans from financial institutions	177,096	-	225,000
Repayment of long-term loans from financial institutions	(200,000)	(70,000)	(221,410)
Repayment of long-term lease	-	-	(694)
Dividends	-	(31,680)	(31,680)
Pay dividends to stakeholders who have the power to control the subsidiary	(1,121)	-	(1,183)
Proceeds from the equity that has no power to control the subsidiary	-	-	255,122
Repayment of capital and interest to a section that does not have the power to control the subsidiary	(2,367)	-	-
Net cash provided by (used in) financing activities	41,557	381,766	318,022
Cash and cash equivalents Increase (decrease) in net	19,270	45,111	34,921
Cash and cash equivalents at beginning of period	37,723	56,993	102,104
Cash and cash equivalents at end of period	56,993	102,104	137,025



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CASH FLOW
For the year ended December 31, 2010 to December 31, 2012

Unit : Thousand Baht

Descriptions	Audited		
	2010	2011	2012
<u>Cash flows from operating activities</u>			
Net profit before tax	146,933	99,177	221,873
Adjustments to reconcile net income to net cash provided. (Used in) operating activities			
Dividend income	(93,890)	(73)	(98,903)
Loss of value of property development costs down	-	-	8,234
Bond premium amortization	3	(1)	(1)
Gain on disposal of other investments	-	-	25
Depreciation	6,218	7,234	6,219
(Gain) loss on sale of assets and dismantled	(743)	(674)	(686)
Liabilities for employee benefits		1,683	1,193
Profits from the actuarial techniques	-	-	(4,074)
Interest		(605)	(2,134)
Expenses	5,594	1,967	6,934
Profit from operations before changes in operating assets and liabilities	64,115	108,708	138,680
<u>Operating assets (increase) decrease.</u>			
Accounts and notes receivable	(9,278)	(107)	7,152
Property development costs	(9)	(3,037)	5,762
Current assets	416	(79)	(272)
Other non-current assets	(1)	-	(2,827)
<u>Liabilities increase (decrease)</u>			
Trade accounts payable	(1,058)	5,158	1,238
Accrued discount payable	4,353	(2,045)	(4,833)
Deposits received from rental of warehouses and land	(3,666)	2,005	(4,846)
Obligation for employee benefits	-	-	(416)
Other non-current liabilities	447	1,724	(1,873)
Cash provided by (used in) operating activities.	55,319	112,327	137,765
Interest paid	-	312	2,730
Expenses	(5,700)	(1,975)	(6,877)
Income tax paid	(16,554)	(23,096)	(35,442)
Net cash provided by (used in) operating activities	33,065	87,568	98,176



THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CASH FLOW (CONT.)
For the year ended December 31, 2010 to December 31, 2012

Unit : Thousand Baht

Descriptions	Audited		
	2010	2011	2012
Cash flows from investing activities			
Increase (decrease) in short-term loans to related parties.	(19,000)	-	19,000.00
Proceeds from capital in its subsidiaries	197,633	-	-
Cash paid for investments in subsidiaries	-	-	(297,198)
Proceeds from dividends	93,889	73	98,903
Proceeds from sales of other long-term investment.	4,500	-	2,960
Cash paid for investments in the long term	-	-	(3,429)
Cash paid for long-term loans to related companies	(73,000)	-	-
Proceeds from repayment of long-term loans to related companies	-	22,000	51,000
Buy Investment Property	(8,207)	(2,341)	(189,809)
Purchase of property, plant and equipment	(2,998)	(4,509)	(24,852)
Proceeds from sale of fixed assets	743	1,187	1,314
Cash paid for purchase of intangible assets.	-	(1,160)	-
Net cash provided by (used in) investing activities	193,560	15,250	(342,111)
Cash flows from financing activities			
Increase (decrease) in short-term loans from financial institutions	(25,000)	(34,000)	100,000
Increase (decrease) in short-term investments in subsidiaries and related companies	(10,000)	(10,000)	-
Increase (decrease) in long-term loans from financial institutions	(160,000)	(20,000)	199,590
Increase (decrease) in long-term loans from subsidiaries and related companies	(30,000)	-	(25,000)
Repayment of long-term lease	-	-	(393)
Dividends	-	(31,680)	(31,680)
Net cash provided by (used in) financing activities	(225,000)	(95,680)	242,517
Cash and cash equivalents Increase (decrease) in net	1,625	7,138	(1,418)
Cash and cash equivalents at beginning of period	2,787	4,412	11,550
Cash and cash equivalents at end of period	4,412	11,550	10,132

10.1.3 Keys Financial Ratio

Financial ratios	Unit	Audited		
		2010	2011	2012
<u>Liquidity Ratio</u>				
Liquidity Ratio	Times	0.93	0.96	1.09
Quick Liquidity Ratio	Times	0.41	0.33	0.87
Cash Flow Liquidity Ratio	Times	0.26	(0.29)	(0.02)
Account Receivable Ratio	Times	9.98	8.71	10.58
Average Collection Period	Days	36.08	41.31	34.04
Inventory Turnover	Times	5.69	4.27	2.90
Average sale time	Days	63.31	84.25	123.97
Account Payable Ratio	Times	9.58	21.61	14.32
Account Payble period	Days	37.70	16.66	25.14
Cash Conversion Cycle	Days	61.69	108.90	132.87
<u>Profitability Ratio</u>				
Gross Profit Margin	%	12.99	17.05	11.88
Operating Profit Margin	%	7.37	12.13	6.67
Other Profit Margin	%	0.01	0.01	0.84
Cash on Profit Ratio	%	1.13	(0.94)	(0.14)
Net Profit Margin	%	3.41	5.88	4.16
Return On Equity	%	4.41	10.09	7.84
<u>Effeciency Ratio</u>				
Return On Asset	%	2.79	5.57	4.11
Return On Fixed Assets	%	7.87	12.22	10.29
Assets Turnover	Times	0.83	0.86	0.88
<u>Financial Ratio</u>				
Debt/Equity Ratio	Times	0.68	0.93	0.88
Interest Coverage Ratio	Times	5.18	5.63	4.57
The dividend payout ratio	%	50.68	22.82	-
Dividend per share	Baht	0.24	0.24	-
Net profit per partner is a shareholder of the Company	Baht	0.50	0.97	0.89
Book value per share	Baht	10.02	10.82	14.30



Financial ratios	Unit	Audited		
		2010	2011	2012
<u>Liquidity Ratio</u>				
Liquidity Ratio	Times	0.89	1.28	0.23
Quick Liquidity Ratio	Times	0.47	0.69	0.10
Cash Flow Liquidity Ratio	Times	0.27	1.16	0.77
Account Receivable Ratio	Times	10.41	13.71	22.22
Average Collection Period	Days	34.58	26.26	16.20
Account Payable Ratio	Times	27.30	46.79	40.17
Account Payble period	Days	13.18	7.69	8.96
Cash Conversion Cycle	Days	21.40	26.89	17.30
<u>Profitability Ratio</u>				
Gross Profit Margin	%	64.79	58.74	60.77
Operating Profit Margin	%	26.36	44.54	35.48
Other Profit Margin	%	42.21	0.03	27.01
Cash on Profit Ratio	%	0.56	0.87	0.76
Net Profit Margin	%	59.40	30.29	53.03
Return On Equity	%	12.67	7.59	18.85
<u>Effeciency Ratio</u>				
Return On Asset	%	10.24	6.73	15.50
Return On Fixed Assets	%	37.58	20.69	31.72
Assets Turnover	Times	0.22	0.22	0.25
<u>Financial Ratio</u>				
Debt/Equity Ratio	Times	0.16	0.10	0.31
Interest Coverage Ratio	Times	26.27	51.42	33.00
The dividend payout ratio	%	23.98	46.09	-
Dividend per share	Baht	0.24	0.24	-
Net earnings per share	Baht	1.00	0.52	1.47
Book value per share	Baht	6.72	7.00	8.60



10.2 Explanation and Analysis of Financial Status and Business Performance

10.2.1 Overview of Recent Performance

In the past 3 years, the Company's revenue grew from 1,833.04 million baht in 2010 up to 3,119.57 million baht in 2012, equivalent to the compound annual growth rate (CAGR) of 30.46 percent per annum. The three major parts, including with income transfers, revenue increased wheat production and increased production of palm oil increased. It is the major contributor to our revenue growth in the present.

Therefore, in the year 2012 the revenue structure of the Company has changed as compared to the previous year. The total revenue of 3,119.57 million baht consisted of revenue from sales of wheat flour of 1,690.84 million baht, or equivalent to 54.20 percent, revenue from sales of palm oil of 1,034.24 million baht, or 33.15 percent, revenue from transfer and service fees of 195.61 million baht, or 6.27 percent, revenue from depository service of 67.91 million baht, or 2.18 percent, revenue from sales of plastic sacks of 51.96 million baht, or 1.67 percent, revenue from the sale of real estate 8.86 million baht, or 0.28 percent, revenue from warehouse rental of 12.59 million baht, or 0.40 percent, revenue from room rental of 9.10 million baht, or 0.29 percent, and other revenues of 48.46 million baht, or 1.55 percent, making the total revenue in the year 2012, as compared to the year 2011, increase by 757.07 million baht, or an increase of 32.05 percent. On the net profit of the year 2012 as compared to that of 2011, The company's reported a net profit of 117.16 million baht in the year 2012 in the amount of 127.95 million baht in 2011 to 10.80 million ,a decrease of 8.44 percent. Factor to the overall decline in net income is affected by the amount of crude palm oil is oversupplied crude palm oil by both local and foreign higher than normal crude palm oil prices continue to fall. As a result, the oil that is in stock - order the company's current market value decline. So T S Oil Industry Company Limited (a subsidiary) has provision for loss on inventory decreased by 76.95 million Baht.

However, when the amount of crude palm oil in the market to normal crude palm oil prices will return to normal. Therefore, the loss reserve is returned to a profit in the future.

For the year 2012 the Company's net profit 194.143 million compared to a year ago profit of 68.74 million baht, an increase of 125.401 million baht or 182.42 percent. Since the year 2012, the Company received dividends from subsidiaries of 98.90 million but in terms of the profit of 95.24 million up 27.82 million representing a profit increase of 41.26 due to the rate of free adjustment and the reduction in corporate tax rate.

10.2.2 Analysis of Business Performance

Unit : Thousand Baht

Revenue structure classified by business type	2010		2011		2012	
	Amount	%	Amount	%	Amount	%
Service Business						
Transfer and Service Business	58,375	3.18	146,655	6.21	195,607	6.27
Depository Business	25,440	1.39	53,952	2.28	67,909	2.18
Warehouse Rental Business	21,500	1.17	15,202	0.64	12,589	0.40
Apartment Rental Business	7,677	0.42	8,248	0.35	9,101	0.29
Total of Service Business	112,992	6.16	224,057	9.48	285,206	9.14
Sale of Goods Business						
Wheat Flour Factory Business	898,604	49.02	897,788	38.00	1,034,244	33.15
Palm Oil Factory Business	780,372	42.57	1,158,206	49.02	1,690,836	54.20
Plastic Sack Factory Business	21,510	1.17	39,486	1.67	51,964	1.67
Total of Sale of Goods Business	1,700,486	92.77	2,095,480	88.70	2,777,044	89.02
Sale of Real Estate Business	2,265	0.12	23,000	0.97	8,860	0.28
Other Revenues						
Profits from Foreign Exchange	4,326	0.24	2,998	0.13	2,484	0.08
Revenue	12,974	0.71	16,966	0.72	45,974	1.47
Other Revenue	17,300	0.94	19,964	0.85	48,458	1.55
Total Other Revenues	1,833,043	100.00	2,362,501	100.00	3,119,568	100.00

Note: Already deducted inter-company items.

The Company and its subsidiaries have revenue from 3 groups of businesses, namely service business, trade business, and real estate business:

1. Service business includes transfer of goods and services, depository service, warehouse rental, and room rental.
2. Trade business includes wheat flour factory, palm oil refinery factory, and plastic sack factory.
3. Real estate business

Transfer of Goods and Services

Table below shows the export volume of main goods

Unit: Metric ton

Export Volume	2010	2011	2012
Raw sugar (BULK)	200,057.51	889,361.29	777,794.46
White sugar	168,247.35	196,761.45	162,192.50
Total sugar	368,304.86	1,086,122.74	939,986.96
Molasses	105,333.89	134,630.52	121,872.88
Total Exports	473,638.75	1,220,753.26	1,061,859.84

Business and unloading of goods and services depends on the yield of sugarcane and sugar production in the country as a whole. This season, the production of sugarcane in 2011/2012 production was 97.98 million tons of sugarcane production and the year 2010/2011 yield of 95.36 million tons compared. The production of sugarcane in 2010/2011 increased by 2.62 million tons or increase of 2.75 and the amount of sugar produced by the domestic season of the year 2012/2011 amounted to 10.144 million tons or 101.44 million bags and the amount of sugar produced by the domestic season of the year 2010/2011 number 9.66 million tons, or equal to 96.63 million sacks on the season of the year 2010/2011, up from a year ago of 0.48 million tons, representing a percentage 4.97

From the table, it is shown that the export volume of sugar in 2010 was 3.68 hundred thousand tons. In the year 2011 amounted to 1.09 million tons and in 2012 there were 9.40 hundred thousand tons comparing these 3 consecutive years, it is found that in 2012 the export volume of sugar was decrease from the year 2011 amount 1.46 hundred thousand tons, or decrease of 13.45 percent and increase from the year 2010 of 5.71 hundred thousand tons or increase 155.22 percent and the volume of sugar exports in 2010 amounted to 1.05 hundred thousand tons in 2011 amounted to 1.35 hundred thousand tons and in the year 2012 amounted to 1.22 hundred thousand tons compared to each other 3 years shows that in 2012 the volume of sugar exports decreased from the year 2011 of 0.13 hundred thousand tons or decreased were 9.48 percent and up from the year 2010 of 0.16 hundred thousand tons or increased were 15.71, So in 2012 the company has been handling and the number of 195.61 million baht in 2011 were 146.65 million and in 2010 were 58.38 million, compared to three years shows that in 2012 revenues, up from year 2011. Total 48.95 million or 33.38 percent increase from the year 2010 were 137.23 million baht or increased were 235.09 percent. Since the year 2012, the Company adjusted rate increased from a year ago.

Depository Service

Table below shows the volume of main goods requesting service

Unit: Metric ton

Import Volume	2010	2011	2012
Raw sugar (BULK)	181,942.51	948,765.71	749,343.09
White sugar	196,698.40	252,355.45	239,152.70
Total sugar	378,640.91	1,201,121.16	1,073,752.06
Molasses	110,029.49	133,612.21	130,717.34
Total Import	488,670.40	1,334,733.37	1,204,469.40

Business storage products based on the yield of sugarcane and sugar production in the country as a whole as well and from the aforementioned reasons for the transfer of goods and services, it is shown that the volume of sugar requesting service for the year 2012 was amount 1.07 million tons, In 2011 was amount 1.20 million tons and In 2010 was amount 3.78 hundred thousand tons. By comparing these 3 years, it is indicated that in 2012 sugar was used down from the year 2011 was amount 1.27 hundred thousand tons, or decrease of 10.61 percent and increase from 2010 amounted to 6.95 hundred thousand tons, or increase of 183.58 percent and the amount of molasses entered service in 2012 amounted to 1.30 hundred thousand tons, 1.34 hundred thousand tons in 2011, and 1.10 hundred thousand tons in 2010, Compared to 3 years, the amount of molasses to use our services in 2012 decreased from the year 2011 of 0.03 hundred thousand tons or down were 2.17 and up from the year 2010 of 0.21 hundred thousand tons or increased 18.81 percent.

Thus, In 2012 the company has been the product of 67.91 million in 2011 amounted to 53.95 million in the year 2010 amounted to 25.44 million, compared to three years found that in 2012 revenue up from the year 2011 amount of 13.96 million baht or 25.87 percent, since the year 2012 the Company adjusted rate increased from a year ago.

Warehouse Rental Business

Volume of service during the recent years

Service Type	2010	2011	2012
Space for warehouse renting (sq.m ²)	49,717	49,717	49,717
Space serviced (%)	73.68	85.89	72.69

Notes: The warehouse space has decreased from a year ago. The sack of sugar into the service decreased 5.232%.

Bulk Warehouse	2010	2011	2012
Overall capacity for depository storage (metric tons)	165,000	165,000	165,000
Average space used (%)	48.84	575.01	454.15

Note: The warehouse space has decreased from a year ago. The bulk sugar into the service decreased 21.02%.

For the year 2011, the Company had 27 warehouses available for rent, with total space of 49,717 square meters, and 4 bulk warehouses with available space of 22,458 square meters, 3 Molasses containers had a total capacity of 34,000 tons. From the Profit and Loss Statement which deducted inter-company items in the year 2012, the Company obtained revenue from warehouse rental of 12.59 million baht, 15.20 million baht in 2011, and 21.50 million baht in 2010. In 2012 the Company's revenue from warehouse rental decreased from that of 2011 and 2010. This is due to the Company let both warehouse and bulk warehouse types to its subsidiaries for depositing sugar produce awaiting delivery to foreign clients, as well as to run their own businesses such as wheat flour factory, sack weaving factory, and palm oil factory. This resulted in a reduction in other corporate clients renting warehouses as compared to the previous years.

Room Rental Business

The Company owns a 262 room building, located in Soi Erawan Sing Thor, Phuchao-Samingphray Road, Samrongtai Sub-district, Phrapadaeng District, Samutr Prakarn Province, for general letting. For the year 2012, the number of rooms taken was on average 256 rooms, or equivalent to 97.71 percent. The Company also owns a 45 room building, located in Soi Siam Silo, Phuchao-Samingphray Road, Samrongtai Sub-district, Phrapadaeng District, Samutr Prakarn. For the year 2012 is residential customers in full.

From the face of rental housing has increased in the year 2012, The Company's income rental housing in 2012 amounting to 9.10 million baht, increase from the year 2011 of 0.85 million or 10.35 percent and increase from the year 2010 of 1.42 million or 18.55 percent.

Wheat Flour Factory Business

The Company sells wheat flour to industrial entrepreneurs producing bread, fresh noodles, instant noodles, and retail entrepreneurs producing bakery, cookies, snacks, and pastries. The Company also sells some of byproducts such as wheat bran to the animal feed industry.



In 2012, the Company produced and sold at full capacity. It sold 50,994 tons of wheat flour, or equivalent to 2,266,419 sacks, and wheat bran of 15,004 tons. While in 2011 the Company sold 40,658 tons of wheat flour, or equivalent to 1,807,027 sacks, and wheat bran of 11,797 tons. Comparing both years, the volume sold in 2011 increased by 25.82 percent from that of 2010 and compared to the year 2010 the sale of wheat flour were 50,163 tons, equivalent to 2,229,450 bags and wheat bran were 15,288 tons, up from 2010, 0.84 percent of sales volume in 2010. In 2012 the company's revenue from the sale of wheat flour of 1,304.24 million baht or 33.15 percent of total revenue and compared to the year 2011 with revenues from the sale of wheat flour were 897.79 million, a decrease of 406.45 million as 45.28 percent, and In 2012 the company received compensation of material damage by fire last of 25.98 million baht. However the company has a plan to control costs, wheat prices are the lowest and plan production and marketing with a focus on product profitability for the company.

Palm Oil Plant Business

The Company manufactures and distributes palm oil by focusing on the targeted customer groups, such as, food and energy renewable industry. In 2012, the Company. The sales volume was 48,400 tons and the volume of production service was 31,827 tons. As a result, the total production capacity is average to 80 percent, earning revenue from sales in an amount of 1,690.84 million baht. In 2011, the sales volume was 34,464 tons and the volume of production service was 19,146 tons, calculating as the total production capacity of 50 percent. The sales revenue was 1,158.21 million Baht, increased by 532.63 million Baht, or equivalent to 45.99 percent, comparing to the previous year. However, in the fourth quarter of the year 2012, Crude palm oil (CPO) was oversupplied, resulting to the higher increase of crude palm oil volume, both domestic and international. In normal situation, the crude palm oil stock of Malaysia was originally 2 million tons, but now it increases up to 2.6 million tons, or equivalent to 30 percent. Regarding to the domestic crude palm oil stock, it previously was 200,000 tons, but now it increases up to 350,000-370,000 tons, or equivalent to 75-85 percent. This results to the consistent reduction of CPO. Moreover, the value of products storing in the stock for production of the Company also was higher than the price in the current market. Consequently, the Company set up the decreased reserve for loss of the inventory value in an amount of 76.95 million Baht. However, when the volume of crude palm oil is in the normal condition, the price of crude palm oil will be also normal so the loss reserve will become the profit in the future.

Real Estate Business

In 2012 The Company allocated a piece of land of 6 rais 1 ngan 33 square wahs, in order to build commercial buildings and allocation of land. The land was located in Bangchang Sub-district, Samphran District, Nakorn Prathom Province. The 12 land plots and 2 commercial buildings, 19 units value of the project of 62 million baht. The project construction completed since 2011, In 2012 the Company completed the sale of two commercial buildings. The remaining 12 plots of land.

A subsidiary bought a piece of land to build commercial buildings and townhouse for sale, located in Klongmai Subdistrict, Samphran District, Nakorn Prathom Province. The property consisted of 20 units of 1-storey townhouse, and 17 units of 2 storey commercial building, with the approximate value of the project of 20 million baht. The project construction completed since 2008, In 2011 the Company to sell the building to house a single and two storey commercial building with 4 units remaining.

Therefore, in 2012, the Company obtained revenue from the real estate business of 8.86 million baht, accounted for 0.28 percent of total revenue.

**Gross Profit**

For the year 2012, the Company had a gross profit of 364.84 million baht, while in 2011 and 2009 the gross profits amounted to 399.45 and 235.80 million baht. In 2011 gross profit decrease has 34.61 million baht, or a decrease of 8.67 percent, and increase from 2010 by 129.04 million baht, or a Increase of 54.73 percent cause the Company's gross profit in 2012 decreased from the year 2011 and increase from 2010 because of income from services and transport increased but palm oil production the loss of the remaining provisions fell.

Net Profit

In 2012, the Company had a net profit of 117.16 million baht, while in 2011 and 2010 the net profits amounted to 127.96 and 66.12 million baht, a compared to 2011 net earnings decreased were 10.80 million or 8.44 percent increase from the year 2010 were 51.03 million or 77.19 percent.

Liquidity and Source of Funds

During the year 2010 – 2012, the Company had the liquidity ratio of 0.93, 0.96, and 1.09 times, respectively. The liquidity ratio for 2012 increase from that of 2011 because in 2012 the Company had current assets totaling of 1,627.49 million baht, consisting of cash and cash equivalent of 137.02 million baht, account receivables of 288.39 million baht, inventory of 1,166.76 million baht, real estate development cost of 25.26 million baht, other current assets of 10.05 million baht, and current liabilities of 1,498.71 million baht consisting of short-term loans from financial institutions of 1,043.03 million baht for the purchase of raw wheat, raw palm oil, and plastic granules from abroad, account payable of 359.07 million baht, and loans reaching maturity within 1 year of 57.46 million baht, and other current liabilities of 39.15 million baht.

During 2010 – 2012, the Company had an average collection period of 36.08, 41.77, and 34.04 days, respectively. In 2012, The company collection can be faster when compared with a year ago, During 2010 – 2012, the Company had an average payment period of 37.70, 16.66, and 25.14 days, respectively. The cash cycle for 2010 – 2012 was 61.69, 109.36, and In 2012 has 133.45 days, respectively, indicating that the Company had a better liquidity.

Cash Flows**Table: Summary of Cash Flows**

Unit: Thousand baht

	2010	2011	2012
Net cash received (used in) from operational activities	152,324	(270,276)	(29,755)
Net cash received (used in) from investment activities	(174,611)	(66,379)	(253,346)
Net cash received (used in) from financing activities	41,557	381,766	318,022
Cash and cash equivalents – net increase (decrease)	19,270	45,111	34,921
Ending cash and cash equivalents	56,993	102,104	137,025

For the year 2012, the Company received cash from operational activities amounting to 29.76 million baht, expended in investment activities of 253.35 million baht, and received from financing activities of 318.022 million baht. The Company's net cash and cash equivalents increased by 34.92 million baht, resulting in the cash and cash equivalents at the end of the year 2012 amounting to 137.02 million baht. Cash expended in investment activities mostly came from the purchase of fixed assets such as buy land, Machinery used in the production of palm oil, Machinery used in the production of plastic bags and other equipments. Cash received from financing activities mainly came from short-term loans from financial institutions for the purchase land Improvement warehouses and materials used in the production, including production of wheat, palm oil production. The production of plastic bags.

**Source of Funds**

For the year 2012, the Company and its subsidiaries had an available overdraft limit of 87.50 million baht, while the limit of short-term loans from financial institutions was of 885 million baht, of which a sum of 880 had been already disbursed. The objective of the loan disbursement was to purchase raw wheat, raw palm oil, and plastic granules. Then, the remaining short-term loans amounted to 5 million baht. The Company and its subsidiaries have long-term loans from financial institutions of Baht 240 million drawn down to 225 million, the company has the money to invest in a subsidiary. Land acquisition and improvement warehouses.

10.2.3 Financial Status**Assets**

Total assets of the Company and its subsidiaries as of 31 December 2012 amounted to 3,557.58 million baht, an increase of 796.80 million baht, or an increase of 28.87 percent, as compared with the total assets of 2,760.78 million baht as of the end of 2011. The total assets are divided as follows:

Net Land, Buildings, and Equipments and Real estate investment

As of 31 December 2012, the Company owned the net amount of land, buildings, and equipments amounting to 1,681.41 million baht, or equivalent to 47.26 percent of the total assets increased compared to year-end 2011, an increase of 149.12 million baht or 9.74 percent, and real estate investment company has 240.29 million, representing 6.75 percent of total assets Increase compared to year-end 2011, an increase of 159.84 million baht or 198.68 percent, since the year 2012, the Company purchased additional land and its subsidiaries had purchased machinery and other equipment used in production.

Inventory

As of 31 December 2012, the Company's inventory amounted to 1,166.76 million baht, or equivalent to 32.80 percent of the total assets. Such assets consisted of raw materials of 874.37 million baht, work-in-progress of 89.48 million baht, finished goods of 31.55 million baht, supplies of 8.86 million baht, and goods in transit of 239.45 million baht. The book value of the subsidiary's cost of goods higher than the net realizable value of 76.95 million baht, an increase of 475.70 million baht or 68.84 percent compared to year-end 2011.

Account Receivables

Account Receivables and Notes Receivable - Net

Unit: Thousand baht

Item	2010	2011	2012
Account Receivables and Notes Receivable due	126,672	196,151	178,314
Classified by Debt Maturity			
Less than 3 months	94,481	96,866	105,044
More than 3 months – 6 months	2,359	1,584	25
More than 6 months – 9 months	7,342	-	2,706
More than 9 months	13,517	5,683	6,562
Total	244,371	300,284	292,651
Deduct Allowance for Doubtful Debts	(8,676)	(5,682)	(8,132)
Net	235,695	294,602	284,519

As of 31 December 2012, the Company's account receivables amounted to 284.52 million baht, or equivalent to 8 percent of the total assets as decrease of 10.08 million, down 3.43 percent year-end 2011 compared to 2012 due to the Company and its subsidiaries can charge from debt faster.

Liabilities

Total liabilities of the Company and its subsidiaries as of 31 December 2012, amounted to 1,669.95 million baht, an increase of 336.81 million baht, or equivalent to an increase of 25.27 percent, as compared with the total liabilities of 1,333.14 million baht at the end of 2011. The total liabilities are divided as follows:

Short-term Loans from Financial Institutions

As of 31 December 2012, the Company's short-term loans from financial institutions amounted to 1,043.03 million baht, or equivalent to 29.32 percent of the total liabilities. It was an increase of 100.54 million baht, or an increase of 10.67 percent as compared to the amount at the end of 2011. In 2012 the company to borrows money from financial institutions in the form of promissory notes of 100 million Baht, To increase subsidiary company T S FLOUR MILL PUBLIC CO., LTD. to borrow money from a financial institution in the form of promissory notes payable and trust receipts of 220.16 million Baht, To import raw materials from abroad in wheat flour production company TS Oil Industry Company Limited is a loan in the form of a promissory note in the amount of Baht 707.17 million for the purchase of raw materials used in the production of crude palm oil and palm oil and T S TRANSPORT AND LOGISTICS CO., LTD. had borrowed promissory notes of 15.70 million baht to purchase raw plastic granules for plastic sack production.

Long-term Loans from Financial Institutions

As of 31 December 2012, the Company's long-term loans from a financial institution amounted to 199.59 million baht, or equivalent to 5.62 percent of the total liabilities. Divided by the long-term debt due within one year of 57.46 million and long-term loan of 142.13 million compared with the end of the year 2010 amount 196 million, an increase of 3.59 million or an increase percentage of 1.84. Since the year 2012, the company has borrowed money from financial institutions of Baht 225 million to buy land and improve warehouse. The Company has loans outstanding during the year of 25.41 million Baht 199.59 million Baht.

Shareholders' Equity

Shareholders' equity of the Company and its subsidiaries as of 31 December 2012 amounted to 1,633.46 million baht, an increase of 283.94 million baht, or equivalent to 21.04 percent as compared to the amount of 1,349.52 million baht at the end of 2011. The changes are as follows:

- An increase in net profits for the year installment ending 31 December 2012 of 117.16 million baht;
- An increase the proportion of shares held in subsidiaries in the same amount of 90.61 million baht;
- An increase the profitability of the new asset valuation of 107.47 million baht;
- An increase in profits from the sale of investments of 0.38 million baht;
- Decrease the amount of dividends paid 31.68 million Baht

Factors Affecting Future Performance

Warehouse Business

(1) Transportation

The Company is located on the Chao Phraya River bank, in Samut Prakarn Province, which is the river outlet to Gulf of Thailand. At present, the construction of roads and bridge connection helps the transportation from one region to another become more convenient and faster. For example, Kanchanaphisek Road, Rama II Road, Industrial Ring Road Bridge, Burabhavithi Express Way, and others connecting routes from northern provinces including Nakhon Sawan, Phitsanulok, Sukhothai, Chiang Mai, Lamphun, Lampang, Chiang Rai; northeastern provinces including Nakhon Ratchasima, Ubon Ratchathani, Udon Thani; central provinces including Ayutthaya, Ang Thong, and Suphanburi; going to the South via Rama II Road as the main route, or going to the East via Burabhavithi Express Way, or through Samut Prakarn Province using Industrial Ring Road. As mentioned above, the transportation from one region to another has become more convenient, faster, and saved more energy than in the past. Therefore, the transportation of goods to warehouse awaiting for sea-freight delivery has become more convenient accordingly. Moreover, with a good location of the Company as a connecting point between land transportation and sea ports makes the Company a better advantage for the service provided to a wider customer.

(2) Government Policy

Since the Port Authority of Thailand (PAT) has a project to close Klong Toey Port, which is a large housing community in Bangkok, so as to send freighters to dock in order to transfer goods at the Deepwater Port of Sriracha or Laem Chabang instead. While the freight business is expanding, but PAT does not yet announce a well-defined policy and clear duration that will affect those habitants in the neighborhood areas. The possible impacts include sound pollution, dust, traffic, and exhaust emitted from trucks and large ocean liners. Moreover, other businesses related to businesses concentrated in the Klong Toey Port area, must be well prepared for changing situations in the future. The Company itself will inevitably be affected by docked ocean liners using connected services. Such impacts will be both positive and negative.

On the positive side, the number of ships using services will be reduced as large ocean lines that used to pick up goods from Bangkok (Klong Toey) will no longer come in.

On the positive side, goods transported from various regions by road will come to use the Company's warehouse service, which is located on the Chao Phraya Riverbank and in a perimeter province of Bangkok. Potential clients will not have to come into Bangkok, or transport a long distant to deepwater ports. Moreover, medium-sized freighters are able to dock at the Company's port



in order to transfer goods, which will help to save land transportation expenses to goods owners, making the docking service, goods depository and transfer services more attractive to new potential customers.

Wheat Flour Business

(1) Changes of International Trade Conditions

Changes of the main exporter's trade conditions such as FTA arrangements with USA, Australia, and Canada that will allow the Company to import raw materials without having to pay import duty, or a 5 percent increase of China's export duty to 25 percent will limit mixed flour export making Thai wheat flour importers will no longer enjoy cheap wheat flour from China. Nonetheless, if such a Chinese measure is cancelled, wheat flour factories in Thailand may have to compete with the Chinese flour again.

(2) Consumption Behavior

Nowadays, consumers prefer and become more concerned with healthy food consumption. For example, whole wheat bread, which is full of fiber, vitamins, and minerals more than normal bread, or whole wheat instant noodles., which provides the Company a chance to earn profit from higher consumption of whole wheat flour.

(3) Application of New Technology into Business

At present, the Company is in the middle of selecting ERP Software, which is a software used in a modern organization that desires to seize advantage over its competitors. Since such a software enables users to manage data in the organization in a centralized way, by linking data from each back office, and compiling into information that can help the decision making of the executives to be more accurate and faster to respond to customers' needs.

Factors Affecting the Performance of T S OIL INDUSTRY CO., LTD. (Subsidiary)

- Weather conditions affecting palm produce in the country will also affect the price of raw materials such as raw palm oil (Crude Palm Olein);
- Public policy – a company must concurrently consider the public policy in running a business such as the determination of sale ceiling, transfer notification, inventory notice, storage place, alternative energy policy, policy on palm plantation expansion, etc.;
- An increase in the number of oil mills, refinery, bio-diesel factories results in competition for raw materials affecting the cost of raw palm oil;
- Consumption behaviors – as consumers turn to more healthy food consumption, food producers have to change their product's image to a higher level of nutrition such as replacing cooking oil from palm oil to rice bran oil.



Reference

(a) Securities' Registrar

Thailand Securities Depository Company Limited
62 Floor 7, The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey,
Bangkok 10110
Tel. 0-2229-2879
Fax. 0-2654-5642 0-2654-5645

(b) Debenture Holder's Representative

None

(c) Auditor

Sam Nak Ngan A.M.C. Co., Ltd. By
Mr.Aumpol jumnongwat Certified Public Accountant No. 4663 and / or
Ms. Prapasri Leelasupha, Certified Public Accountant No. 4664
191 Silom Complex, Class 19, Unit 4
Silom Road, Silom,Bangrak ,Bangkok. 10500
Tel. 0-2231-3980-7
Fax 0-2231-3988
E-mail : amc@amc-mri.com

(d) Internal Auditor

MIDAS Audit and Advisory Co.,Ltd By
Mr.Opas Sripornkijachorn
50/10 Metalion Tower 3, 5th Floor,
Rama 1 Road , Rong Muang
Pathumwan, Bangkok 10330
Tel. 0-2612-3313
Fax 0-2612-3314
E-mail : opas@midas-aa.com

(e) Financial Advisor

None

(f) Advisor or Manager under Management Contract

None

**(g) Financial Institutions**

Bank	Office / Branch	Overdraft Limit	Interest Rate (% per year)	Balance as of 31 January 2013
Bank of Ayudhya Public Company Limited	Rama III	-	-	479,413.31
Bangkok Bank Public Company Limited	Silom office	10 Million Baht	7.375%	19,265.39
Kasikorn Bank Public Company Limited	Silom	10 Million Baht	7.48%	150,470.43
CIMB Thai Bank Public Company Limited (Current A/C)	Poo Jao Saming Prai	10 Million Baht	8%	(11,402.70)
CIMB Thai Bank Public Company Limited (Savings)	Poo Jao Saming Prai	-	0.50%	230,672.38
Siam Commercial Bank Public Company Limited (Current A/C)	Poo Jao Saming Prai	20 Million Baht	7.42%	(138,973.37)
Siam Commercial Bank Public Company Limited (Savings)	Poo Jao Saming Prai	-	.625%	12,447,825.96



Details of Thai Sugar Terminal Public Company Limited's Board of Directors as of 31 December 2012

Name - Surname - Position	Age	Educational Level / Training	% of Shareholding	Family Relationship among Executives	Work Experience During the past 5 years		
					Period	Position	Name of Organization / Nature of Business
1. Mr. Pricha Attavipach Chairman Independent Director	75	<div>- Bachelor Degree of Industrial engineering, Chulalongkorn University. - Master Degree Of Industrial Engineering and Management, Oklahoma State University U.S.A. 1. Certificate of Finance for Non-Finance Directors (FND 8/2004) 2. Certificate of Director Certification Program (DCP 39/2004) 3. Certificate of Audit Committee Program (ACP 11/2006) Thailand Institute of Director (IOD)</div>	-	None	2008 - Present	Chairman / Independent Director	Thai Sugar Terminal public Company Limited Nature of business - Product Loading Service - Warehouse Rental and Port Service
					2008 - Present 2004 - Present 2002 - Present 2003 - Present 2008 - Present	<div>Listed Companies</div> <div>Chairman Director / Independent Director / Chairman of the Audit Committee Independent Director / Audit Committee Director Chairman Chairman</div>	<div>T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory Thai Rung Union Car Public Company Limited - Automotive products Siam Cement Public Company Limited - Cement Polymers Etc Tongkah Harbour Public Company Limited - Mining resources Kasest Thai International Sugar Corporation Public Company Limited - Sugar Manufacturing Factory</div>
Mrs. Sriwan Attavipach			0.004%	(Spouse)	2008 - Present 2008 - Present 2000 - Present 2000 - Present 2001 - Present 2003 - Present 2003 - Present 2004 - Present 2008 - Present 2008 - Present 1993 - Present	<div>Non - Listed Companies</div> <div>Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Director</div>	<div>T S G Asset Company Limited Subsidiaries - General and Real estate rental service T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory Pan - Paper 1992 Co., Ltd. - Production and distribution Paper products and printing Ruamkijaungthong Warehouse Ltd. - Warehouse Chaiyananbangplee Parkland Co., Ltd. - Real estate development to establish industrial zone SIAM P.P. International Co., Ltd. - Production and distribution of lime and Cement Pasteur Environment Pulp And Paper Co., Ltd. - Paper products factory. Ekaratpattana Co., Ltd. - Production of ethanol Thai Identity Sugar Factory CO., Ltd. - Sugar Manufacturing Factory Ruampol Enterprise Company Limited - Sugar Manufacturing Factory S.C. Stark Company Limited - Manufacturing industry Pow</div>
					2001 - Present 2002 - Present 2004 - Present Present Present Present 2009 - Present	<div>Institutions</div> <div>Specialist Senior Engineering (Industrial Engineer) Director Academic Director President of the University Council Chairman Chairman Chairman</div>	<div>Council engineers Industrial Engineering Committee bill Ministry of Labour - Bill Laws The engineering institute of Thailand under H.M. The king's Patronage (Management systems, occupational health and safety) Chaopraya University - Education Panchuen ruensiri Lady Foundation - Foundation Laiarg pamarapa Teacher Foundation - Foundation Industrial Development Foundation - Foundation</div>



2. Mr. Prapas Chutimavoraphand Managing Director Chairman of Executive Board (Authorized Director)	75	- Grade 6, Baan Beung Industry School - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	1.67%	- Father of Mr. Chanachai Chutimavoraphand Director and Executive Director	2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2003 - Present 2004 - Present 2004 - Present 1969 - Present 2003 - Present 1989 – Present 2004 - Present	Managing Director Chairman of Executive Board <u>Listed Companies</u> Chairman of Executive Board Director and Senior Executive Vice President <u>Non - Listed Companies</u> Chairman of Executive Board Managing Director Managing Director Managing Director Director and Senior Executive Vice President Director and Senior Executive Vice President Director and Senior Executive Vice President Managing Director Director Director Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Flour Mill Public Company Limited Subsidiaries - Wheat Flour Factory Khon Kaen Sugar Public Company Limited - Sugar manufacturing factory T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory T S Warehouse Company Limited Subsidiaries - Warehouse Business T S G Asset Company Limited Subsidiaries - General and Real estate rental service T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors. New Krungthai Sugar Factory Company Limited - Sugar manufacturing factory Tamaka Sugar Public Company Limited - Sugar manufacturing factory New Kwang Soon Lee Sugar Company Limited - Sugar manufacturing factory On Nuj Construction Company Limited - Construction and other Khon Kaen Electricity Company Limited - Electric Current manufacturing Para High Tech Company Limited - General and Real estate rental service Bangkok Boutique Hotel (Thailand) Limited. - Hotel business
Mrs. Sumitra Chutimavoraphand (Spouse)			0.77%	(Spouse)			
3. Mr. Pong Chinthammit Senior Executive Vice President Vice Chairman of Executive Board (Authorized Director)	56	- Bachelor Degree of Science, Industrial Technology, Roger Williams University. - Certificate of Director Accreditation Program (DAP 10/2004) Thailand Institute of Director (IOD)	-	- Uncle of Mr. Win Chinthammit Non-Executive Director	2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present	Senior Executive Vice President Vice Chairman of Executive Board <u>Non - Listed Companies</u> Senior Executive Vice President Senior Executive Vice President Senior Executive Vice President Executive Director Senior Executive Vice President Director Senior Executive Vice President	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Warehouse Company Limited Subsidiaries - Warehouse Business T S G Asset Company Limited Subsidiaries - General and Real estate rental service T S Transport and Logistics Co., Ltd. Subsidiaries - Manufactures plastic bags and transport contractors. T S Oil Industry Company Limited Subsidiaries - Palm oil refinery Factory Prachuap Industry Company Limited - Sugar Manufacturing Factory K.S.L. Export Trading Company Limited - Sugar Exporter K.C. Agriculture Company Limited - Agribusiness



4. Mr. Chanachai Chutimavoraphand Executive Director Member of Nominating and Remuneration Committee (Authorized Director)	41	<ul style="list-style-type: none">- Bachelor Degree of Engineering, Chulalongkorn University.- Master Degree of Engineering, Industrial Engineering, U.S.A.- Master Degree of Business Administration, Tennessee University, U.S.A.- Bachelor of Law, Chulalongkorn University.- Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	18.31%	<ul style="list-style-type: none">- Son of Mr.Prapas ChutimavoraphandManaging Director and Chairman of Executive Board	<div>2000 - Present</div> <div>2007 - Present</div> <div>2000 - Present</div> <div>2000 - Present</div> <div>2000 - Present</div> <div>2000 - Present</div> <div>2000 - Present</div> <div>2000 - Present</div> <div>2000 - Present</div> <div>2000 - Present</div>	<div>Executive Director</div> <div>Member of Nominating and Remuneration Committee</div> <div><u>Listed Companies</u></div> <div>Executive Director</div> <div>Chief of Financial Officer (CFO)</div> <div><u>Non - Listed Companies</u></div> <div>Executive Director</div> <div>Executive Director</div> <div>Executive Director</div> <div>Executive Director</div> <div>Chief of Financial Officer (CFO)</div> <div>Chief of Financial Officer (CFO)</div> <div>Chief of Financial Officer (CFO)</div>	<div>Thai Sugar Terminal Public company limited</div> <div>Nature of business<ul style="list-style-type: none">- Product Loading Service- Warehouse Rental and Port Service</div> <div>T S Flour Mill Public Company Limited <u>Subsidiaries</u> - Wheat Flour Factory</div> <div>Khon Kaen Sugar Public Company Limited - Sugar manufacturing factory</div> <div>T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business</div> <div>T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service</div> <div>T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory</div> <div>T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> -Manufactures plastic bags and transport contractors.</div> <div>Tamaka Sugar Public Company Limited - Sugar manufacturing factory</div> <div>New Krungthai Sugar Factory Company Limited - Sugar manufacturing factory</div> <div>New Kwang Soon Lee Sugar Company Limited - Sugar manufacturing factory</div>
5. Mr. Narong Chenlarpwatanakul Executive Director (Authorized Director)	47	<ul style="list-style-type: none">- Bachelor Degree of Economics, Thammasat University.- Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	-	None	<div>2006 – Present</div> <div>2006 - Present</div> <div>2011 - Present</div> <div>2006 - Present</div> <div>2006 - Present</div> <div>2006 - Present</div> <div>2006 - Present</div> <div>2005 – Present</div> <div>1999 – Present</div>	<div>Executive Director</div> <div><u>Listed Companies</u></div> <div>Executive Director</div> <div>Member of Nominating and Remuneration Committee</div> <div><u>Non - Listed Companies</u></div> <div>Executive Director</div> <div>Executive Director</div> <div>Executive Director</div> <div>Executive Director</div> <div>Director</div> <div>Director</div>	<div>Thai Sugar Terminal Public company limited</div> <div>Nature of business<ul style="list-style-type: none">- Product Loading Service- Warehouse Rental and Port Service</div> <div>T S Flour Mill Public Company Limited <u>Subsidiaries</u> - Wheat Flour Factory</div> <div>T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business</div> <div>T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service</div> <div>T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory</div> <div>T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors.</div> <div>Mitrkaset Industry Company Limited <u>Subsidiaries</u> - Sugar Manufacturing Factory</div> <div>Wattanakul Oxygen company Limited <u>Subsidiaries</u> - Manufacturing the agency as prosecutor Sim</div>



6. Mr. Chalush Chinthammit Non-Executive Director	44	- BBA, Finance and Banking, Assumption University. - MBA, Finance & Banking, Mercer University, U.S.A. - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	0.05%	- Grandchildren of Mr. Somchai Chinthammit Non-Executive Director	2007 - Present 2007 - Present 1994 - Present 2007 - Present 2007 - Present 2007 - Present 2007 - Present 1994 - Present 1994 - Present 1994 - Present 2003 - Present 2002 - Present 2003 - Present 2006 - Present	Director <u>Listed Companies</u> Director Executive Vice President <u>Non - Listed Companies</u> Director Director Director Director Executive Vice President Executive Vice President Executive Vice President Executive Vice President Director Director Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Flour Mill Public Company Limited <u>Subsidiaries</u> - Wheat Flour Factory Khon Kaen Sugar Public Company Limited - Sugar manufacturing factory T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors. Tamaka Sugar Public Company Limited - Sugar manufacturing factory New Krungthai Sugar Factory Company Limited - Sugar manufacturing factory New Kwang Soon Lee Sugar Company Limited - Sugar manufacturing factory Khon Kaen Alcohol Company Limited - Ethanol manufacturing factory K.S.L. Export Trading company Limited - Sugar Exporter Khon Kaen Electricity Company Limited - Electric Current manufacturing factory Sawan Naket Sugar company Limited - Sugar manufacturing factory
7. Mr. Somchai Chinthammit Non-Executive Director	61	- Computer College ,Germany. - Certificate of Director Accreditation Program (DAP 17/2004) Thailand Institute of Director (IOD)	0.16%	- Uncle of Mr. Chalush Chinthammit Non-Executive Director	2008 - Present 2008 - Present 2011 - Present 1980 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present 1981 - Present 2003 - Present 2003 - Present	Director <u>Listed Companies</u> Director Member of Nominating and Remuneration Committee Executive Director <u>Non - Listed Companies</u> Director Director Director Director Executive Director Executive Director Executive Director Director Director Director	Thai Sugar Terminal public Company Limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Flour Mill Public Company Limited <u>Subsidiaries</u> - Wheat Flour Factory Khon Kaen Sugar Public Company Limited - Sugar Manufacturing Factory T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors. Tamaka Company Limited - Sugar Manufacturing Factory New Krungthai Sugar Factory Company Limited - Sugar Manufacturing Factory New Kwang Soon Lee Company Limited - Sugar Manufacturing Factory Racha Fermentation Co., Ltd - Fermentation Factory Khon Kaen Alcohol Company Limited - Ethanol manufacturing factory Khon Kaen Electricity Company Limited - Electric Current manufacturing factory



8. Mr. Win Chinthammit Non-Executive Director (Authorized director)	38	- Bachelor of Electrical Engineering, Kasetsart University - Master of Information System, University of Colorado,U.S.A. - Certificate of Director Accreditation Program (DAP 62/2007) Thailand Institute of Director (IOD)	0.74%	- Grandchildren of Mr. Pong Chinthammit Senior Executive Vice President and Vice Chairman of Executive Board	2006 - Present 2006 - Present 2006 - Present 2006 - Present 2005 - Present 2005 - Present	Non-Executive Director <u>Non - Listed Companies</u> Director Director Director Director Executive Vice President Executive	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors. Prachuap Industry Company Limited - Sugar Manufacturing Factory K.C. Agriculture Company Limited - Agribusiness
9. Mr. Dhanadol Sujiphinyo Non-Executive Director	46	- Bachelor Degree of Marketing, California State University at Sabernariono (BA). - Master Degree of Marketing & Management, Mercer University Atlanta, U.S.A. - Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD)	1.00%	None	2008 - Present 2008 - Present 2011 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present 1998 - Present	Non-Executive Director <u>Listed Companies</u> Director Member of Nominating and Remuneration Committee <u>Non - Listed Companies</u> Director Director Director Director Managing Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Flour Mill Public Company Limited <u>Subsidiaries</u> - Wheat Flour Factory T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors Jomtien Garden Resort Hotel, Pattaya - Business hotel
10. Mr. Chadej Insawang Chairman of Audit Committee Independent Director	66	- Master Degree Of Political Science and Bachelor Degree of Law Thammasat University. - Certificate of Director Accreditation Program (DAP 76/2008) Thailand Institute of Director (IOD)	-	None	2008 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present	Chairman of Audit Committee Independent Director <u>Non - Listed Companies</u> Director Director Director Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors



11. Mr. Nisakorn Parkpean Member of Nominating and Remuneration Committee Member of Audit Committee Independent Director	65	- Bachelor Degree of Accounting, Chulalongkorn University. - Certificate of Director Accreditation Program (DAP 30/2004) Thailand Institute of Director (IOD)	0.14%	None	2008 - Present 2009 - Present 2009 - Present 2009 - Present 2009 - Present 1996 - Present 2003 - Present	Chairman of Nominating and Remuneration Committee Member of Audit Committee Independent Director <u>Non - Listed Companies</u> Director Director Director Director Chairman Managing Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors Siam Furline Company limited - Product Loading Business Thai Teak Asset Company Limited - Processed Wood Business
12. Mr. Suang Ruangsook Member of Audit Committee Independent Director	79	- Advanced Accounting Certificate, Bangkok Business College. - Certificate of Director Accreditation Program (DAP 37/2005) Thailand Institute of Director (IOD)	0.21%	None	2000 - Present 2009 - Present 2009 - Present 2009 – Present 2009 - Present 1977 - Present 1983 - Present	Member of Audit Committee Independent Director <u>Non - Listed Companies</u> Director Director Director Director Director Advisory Director	Thai Sugar Terminal Public company limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors PDTL Trading Limited Partnership – Electrical Wire Products Eastern Sugar and Cane Public Company Limited – Sugar Manufacturing Factory
Mrs. Prasertsri Ruangsook (Spouse)			0.06%	(Spouse)			



13. Ms. Jutatip Arunanondchai Member of Nominating and Remuneration Committee Independent Director	42	<div>- BSC. in Mathematics with Management, Imperial College, University of London, UK.</div> <div>- MBA in International Management University of Exeter, UK.</div> <div>- MBA in Architectural Interior Design, University of Wales,UK</div> <div>- MBA in MA Business Law, Chulalongkorn University.</div> <div>1. Certificate of Monitoring the Internal Audit Function (MIA 5/2009)</div> <div>2. Certificate of Monitoring the System of Internal Control and Risk Management (MIR 6/2009)</div> <div>3. Certificate of Monitoring Quality of Financial Reporting (MFR 9/2009)</div> <div>4. Certificate of Audit Committee Program (ACP 26/2009)</div> <div>5. Certificate of Director Accreditation Program (DAP 78/2009)</div> <div>6. Certificate of Monitoring Fraud Risk Management (MFM 6/2011) Thailand Institute of Director (IOD)</div>	0.04%	None	<div>2008 - Present</div> <div>2009 - Present</div> <div>2008 - Present</div> <div>2008 - Present</div> <div>2008 - Present</div> <div>2002 - Present</div> <div>2005 - Present</div> <div>2009 - Present</div>	<div>Member of Nominating and Remuneration Committee</div> <div>Independent Director</div> <div><u>Listed Companies</u></div> <div>Audit Committee / Independent Director</div> <div><u>Non - Listed Companies</u></div> <div>Director</div> <div>Director</div> <div>Director</div> <div>Director</div> <div>Executive Director</div> <div>Director</div>	<div>Thai Sugar Terminal Public company limited</div> <div>Nature of business - Product Loading Service</div> <div> - Warehouse Rental and Port Service</div> <div>Union Plastic Public Company Limited - Manufacturing plastic parts</div> <div>T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service</div> <div>T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory</div> <div>T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors</div> <div>Net get jet company limited - Product of Network</div> <div>Ratchaburi Sugar Company Limited and its subsidiaries - Sugar Manufacturing Factory</div> <div>Chiang Mai Night Bazaar - Shopping Center</div>
14. Mr. Suphsorn Chayovan Executive Director	76	<div>- Bachelor of Animal Science, Kasetsart University.</div> <div>- Master Degree of Food Science & Nutrition, Brigham Young University.</div> <div>- Philosophy Doctor Degree of Technology and Food Science, University of Louisiana U.S.A.</div> <div>1. Certificate of Director Accreditation Program (DAP 77/2009)</div> <div>2. Certificate of Director Certificate Program (DCP 112/2009) Thailand Institute of Director (IOD)</div>	-	None	<div>2009 - Present</div> <div>2006 - Present</div> <div>2011 - Present</div> <div>2009 - Present</div> <div>2009 - Present</div> <div>2009 - Present</div>	<div>Executive Director</div> <div><u>Listed Companies</u></div> <div>Executive Director</div> <div><u>Non - Listed Companies</u></div> <div>Managing Director</div> <div>Director</div> <div>Director</div> <div>Director</div>	<div>Thai Sugar Terminal public Company Limited</div> <div>Nature of business - Product Loading Service</div> <div> - Warehouse Rental and Port Service</div> <div>T S Flour Mill Public Company Limited <u>Subsidiaries</u> - Wheat Flour Factory</div> <div>T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory</div> <div>T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business</div> <div>T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service</div> <div>T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> -Manufactures plastic bags and transport contractors</div>
15. Mr. Charnkrij Dejvitak Executive Director	39	<div>- Master Degree of Business Administration, West Texas A&M University U.S.A.</div> <div>- Master Degree of Field of Leadership Ethics and Good Organization, Saint Edward's University U.S.A.</div> <div>- Philosophy Doctor Degree of Business Administration, Touro University International U.S.A.</div> <div>- Certificate of Director Accreditation Program (DAP 79/2009) Thailand Institute of Director (IOD)</div>	-	None	<div>2009 - Present</div> <div>2010 - Present</div> <div>2009 - Present</div> <div>2009 - Present</div> <div>2009 - Present</div> <div>2009 - Present</div>	<div>Executive Director</div> <div><u>Listed Companies</u></div> <div>Managing Director</div> <div><u>Non - Listed Companies</u></div> <div>Executive Director</div> <div>Executive Director</div> <div>Executive Director</div> <div>Executive Directo</div>	<div>Thai Sugar Terminal public Company Limited</div> <div>Nature of business - Product Loading Service</div> <div> - Warehouse Rental and Port Service</div> <div>T S Flour Mill Public Company Limited -Wheat Flour Factory</div> <div>T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business</div> <div>T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service</div> <div>T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory</div> <div>T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors</div>
Mrs.Yaowanuch Dejvitak (Spouse)			8.16%	(Spouse)			



16. Mrs. Arunee Tritheppratima Corporate Secretary Secretary to Board of Audit Committee	57	- Bachelor of Communication Arts, Chulalongkorn University. - Diploma of Corporate Secretary Development Program, from Listed Company Association and Faculty of Commerce and Accountancy, Chulalongkorn University	-	None	1982 - Present 2000 - Present 2008 - Present 1982 - Present 1982 - Present 1982 - Present 1982 - Present	Secretary to Board of Directors Secretary to Board of Audit Committee Corporate Secretary <u>Non - Listed Companies</u> Secretary to the Board of Directors Secretary to the Board of Directors Secretary to the Board of Directors Secretary to the Board of Directors	Thai Sugar Terminal Public Company Limited Nature of business - Product Loading Service - Warehouse Rental and Port Service T S Warehouse Company Limited <u>Subsidiaries</u> - Warehouse Business T S G Asset Company Limited <u>Subsidiaries</u> - General and Real estate rental service T S Oil Industry Company Limited <u>Subsidiaries</u> - Palm oil refinery Factory T S Transport and Logistics Co., Ltd. <u>Subsidiaries</u> - Manufactures plastic bags and transport contractors
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Note. 1. Director, all without a history of criminal offenses of an offense relating to property which has been done in bad faith
 2. Director, carry out all the history you do not have a list of potential conflicts of interest with the Company and its subsidiaries during the past year

Board of Directors in Thai Sugar Terminal Public Company Limited and Subsidiaries

No.	Name's Director	TSTE	TMILL	TSW	TSGA	TS OIL	TSTL
1	Mr. Pricha Attavipach	X ID	X ID		X	X	
2	Mr. Prapas Chutimavoraphand	O	O	O	O	O	O
3	Mr. Pong Chinthammit	O		O	O	O	O
4	Mr. Chanachai Chutimavoraphand	O	O	O	O	O	O
5	Mr. Narong Chenlarpwatanakul	O	O	O	O	O	O
6	Mr. Chadej Insawang	/ ID AC		/	/	/	/
7	Mr. Nisakorn Parkpean	/ ID AC		/	/	/	/
8	Mr. Suang Ruangsook	/ ID AC		/	/	/	/
9	Mr. Chalush Chinthammit	/	/	/	/	/	/
10	Mr. Win Chinthammit	/		/	/	/	/
11	Mr. Somchai Chinthammit	/	/	/	/	/	/
12	Mr. Dhanadol Sujiphinyo	/	/	/	/	/	/
13	Ms. Jutatip Arunanondchai	/ ID			/	/	/
14	Dr. Suphsorn Chayowan *	O	O	O	O	O	O
15	Dr.Charnkrij Dejvitak *	O	O	O	O	O	O
16	Mr.Chalermchai Wongwaiwit		/ ID AC				
17	Mr.Anek Khamchum		/ ID AC				
18	Ms.Arraya Arunanondchai			/			

Note	X	=	Chairman
	O	=	Executive Director
	/	=	Director
	AC	=	Audit Committee
	ID	=	Independent Director

1. TSTE = Thai Sugar Terminal Public Company Limited
2. TMILL = T S Flour Mill Public Company Limited
3. TSW = T S Warehouse Company Limited
4. TSGA = T S G Asset Company Limited
5. TS OIL = T S Oil Industry Company Limited
6. TSTL = T S Transport and Logistics Company Limited

1. Thai Sugar Terminal Public Company Limited is directors. The position of director of subsidiary references 3-6 except T S Flour Mill Public Company Limited not paid in cash and non-monetary.
2. T S Flour Mill Public Company Limited is directors receive a monthly remuneration.
3. Dr. Suphsorn Chayowan* Its Board of Directors and Managing Director T S Oil Industry Company Limited Paid as an executive.
4. Dr. Charnkrij Dejvitak * Its Board of Directors and Managing Director T S Flour Mill Public Company Limited Receive compensation as directors and executives.

Audit Committee Annual Report 2012

The Audit Committee of Thai Sugar Terminal Public Company Limited is comprised of 3 independent directors of the Company, namely Mr. Chadej Insawang as the Chairman, Mr. Nisakorn Phakphian, and Mr. Saruang Ruengsuk, as the members of the Audit Committee. In 2012, 6 meetings were held with full attendance. Participation of each member was reported in the 2012 Annual Report, and could be summarized as follows;



1. Reviewing quarterly financial report by holding a joint meeting with executives in the company's accounting department, and external auditor to consider the observation from the review and the audit, or financial statement without the presence of executives in charge
2. Holding a meeting with internal auditors and external auditors to assess effectiveness and sufficiency of the internal control system and efficiency of internal audit, and focus on independence of internal auditors and external auditors
3. The Audit Committee considered and approved the internal audit plan for 2012 which focused on the matter that would have the risk greatly impacting on the business of the Company and its subsidiaries by monitoring the adjustment according to the recommendation of the internal auditors to ensure proper and continuous operation for the most efficient and effective business operation of its affiliates
4. Reviewing the operational monitoring system in compliance with legal requirements relating to the Company's business operation, including the compliance with the Stock Exchange of Thailand's requirement, and other relevant laws which the meeting was held with executives from the accounting department and internal auditors.
5. Reviewing and providing recommendations in the case of related report preparation based on transparency and sufficient information disclosure as the principle of practice, and consistency with the policy on conflicts of interest prevention

Regarding to the operation based on the role and responsibility in 2012, the Audit Committee had reviewed and considered the company's operation by considering together with executives in charge, internal auditors, and external auditors. Overall, the Audit Committee agreed that the Company has suitable and sufficient internal control system, and had operation that was in compliance with requirements relating to business operation, including the company's financial statement was prepared according to the reliable generally accepted accounting practice. In addition, risk management and audit procedures had completely been considered as well.

The Audit Committee had considered performance and independence of external auditors, and had approved the nomination of the Company's auditors for 2012 to the Company's Board of Directors to be proposed at the Annual General Shareholders' Meeting to appoint and to approve the auditing fee further.



(Mr.Chadej Insawang)

Chairman of the Audit Committee

March 14, 2013

The report of Board of Directors' responsibility for 2012 financial statement

Thai Sugar Terminal Public Company Limited's Board of Directors focuses on duty and responsibility of corporate governance in accordance with the principles of good corporate governance which are responsible for consolidated financial statement, and separate financial statement, as well as, financial information presented in the Annual Report.

Financial statement for the year ended December 31, 2012 was prepared according to accounting standard, and financial report standard. In 2012, the Company and its subsidiaries applied many newly issued and amended financial report standards which were announced by the Federation of Accounting Professions. It determined that these standards shall be applied to the financial statement for the accounting period beginning on or after January 1, 2012 onwards. The company and its subsidiaries changed the accounting policy relating to accounting record by retrospectively adjusting consolidated and separate financial statements as of December 31, 2011 to reflect the changes due to the application of newly issued and amended report standard, and the accounting policy change with careful discretion. In addition, the important information was disclosed sufficiently in the note to the financial statement, and had passed the review and provided comment unconditionally from an independent certified public accountant. Therefore, the financial statement reflects the actual and transparent financial status, performance, and cash flow in the previous year that is useful for shareholders and general investors.

The company's Board of Directors has implemented appropriate and effective risk management, internal control, internal audit, and governance to engender confidence reasonably that financial information is accurate, complete, and sufficient for maintaining the company's asset and preventing risks of the operation. The Board of Directors is of the opinion that the company's overall internal control is sufficient and appropriate, as well as credible to the reliability of consolidated and separate financial statements for the accounting period ended December 31, 2012.



(Mr.Prapas Chutimavoraphand)

Chief Executive Officer

March 1, 2013

Part 2

Thai Sugar Terminal Public Company Limited
The consolidated and separate financial statement
For the year ended December 31,2012



AUDITOR'S REPORT

To the Shareholders of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and the separate financial statements of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and also of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED only, respectively, which comprise the consolidated and the separate statements of financial positions as at December 31, 2012, and the related consolidated and the separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and the separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and the separate 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 consolidated and the separate 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 consolidated and the separate 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 the separate financial statements referred to above present fairly, in all material respects, the consolidated and the separate financial position of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED and its subsidiary companies and also of THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED only, respectively, as at December 31, 2012, and of their consolidated and the separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter and Event

Without expressing a qualified opinion on the above financial statements, I would like to draw attention to the matter as discussed in the notes to financial statements No. 3.1 that the Company and its subsidiaries have reclassified items under account of investment properties to account of property, plant and equipment so that to be consistent with operating characteristic of the Company and its subsidiaries and in the notes to financial statements No. 3.2, that the Company and its subsidiaries have changed their accounting policy for booking land, shown under account of property, plant and equipment at cost to revaluation method in order to conform with the parent company's accounting policy on that matter and the Company's management believes that the new policy is more appropriate in the current situation and operations of the Company and its subsidiaries. The consolidated and separate financial statements for the year ended December 31, 2011 and the consolidated and separate statements of financial position as at January 1, 2011, presented herein for comparison, have been retrospectively adjusted for the effect of the change to be in accordance with the new classified and accounting policy. I have audited the relevant adjustments and in my opinion, those adjustments are fairly appropriate.

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



(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand) Registration No. 4664

Bangkok,

February 22, 2013

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated financial statements as at			Separate financial statements as at		
		December 31, 2012	December 31, 2011	January 1, 2011	December 31, 2012	December 31, 2011	January 1, 2011
			(Restated)	(Restated)		(Restated)	(Restated)
<u>Assets</u>							
Current assets							
Cash and cash equivalent items		137,024,854	102,103,975	56,993,634	10,132,334	11,549,945	4,411,863
Trade and other accounts receivable-net	6.1 and 8	288,395,314	300,524,292	237,753,759	9,276,612	17,024,802	16,623,875
Current portion of long-term investment	11	431,071	-	749,978	-	-	-
Short-term loans to related parties	6.1	-	-	-	-	19,000,000	19,000,000
Inventories-net	9	1,166,759,927	691,060,913	269,818,766	-	-	-
Real estate development cost	10	25,256,515	39,252,149	40,272,226	23,227,800	37,223,433	34,186,080
Other current assets		9,621,881	7,360,024	12,004,543	1,039,625	767,703	688,911
Total current assets		1,627,489,562	1,140,301,353	617,592,906	43,676,371	85,565,883	74,910,729
Non-current assets							
Other long-term investments-net	11	3,555,002	3,161,029	2,965,560	3,555,002	2,724,269	2,523,126
Investments in subsidiary companies	12	-	-	-	805,740,734	508,542,734	508,542,734
Long-term loan to related parties	6.1	-	-	-	-	51,000,000	73,000,000
Investment properties-net	13	240,288,231	80,452,276	80,912,022	266,030,204	76,004,595	77,943,561
Property, plant and equipment-net	14	1,681,406,175	1,532,285,067	1,516,971,283	365,661,985	291,243,005	290,201,242
Other non-current assets		4,843,604	4,580,067	759,006	4,008,517	1,181,486	21,650
Total non-current assets		1,930,093,012	1,620,478,439	1,601,607,871	1,444,996,442	930,696,089	952,232,313
Total assets		3,557,582,574	2,760,779,792	2,219,200,777	1,488,672,813	1,016,261,972	1,027,143,042

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated financial statements as at			Separate financial statements as at		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2012	2011	2011	2012	2011	2011
			(Restated)	(Restated)		(Restated)	(Restated)
<u>Liabilities and shareholders' equity</u>							
Current liabilities							
Short-term loans from financial institutions	16	1,043,034,340	942,493,178	457,280,465	100,000,000	-	34,000,000
Trade and other accounts payable	17	359,065,987	104,388,340	89,932,368	12,367,081	10,133,691	4,983,641
Accrued discounts payable		14,681,538	19,515,094	21,559,880	14,681,538	19,515,094	21,559,880
Current portion of long-term loans							
Long-term loans from related parties	6.1	-	-	-	-	25,000,000	-
Long-term loans from financial institutions	18	57,460,000	80,000,000	60,000,000	57,460,000	-	20,000,000
Liabilities under long-term lease contract	19	1,634,869	-	-	1,037,159	-	-
Accrued income tax payable		8,940,438	26,326,983	22,648,116	1,471,753	9,184,085	1,845,720
Other current liabilities		13,891,592	14,961,726	14,649,217	1,353,409	3,226,066	1,501,823
Total current liabilities		1,498,708,764	1,187,685,321	666,070,046	188,370,940	67,058,936	83,891,064
Non-current liabilities							
Long-term loans from related parties	6.1	-	-	-	-	-	35,000,000
Long-term loans from financial institutions	18	142,130,000	116,000,000	206,000,000	142,130,000	-	-
Liabilities under long-term lease contract-net	19	7,855,496	-	-	5,576,911	-	-
Deposit received from warehouse and land rental		874,395	2,263,195	2,522,944	5,417,285	10,262,845	8,257,834
Employee benefit obligations	20	19,034,950	26,392,279	21,283,530	11,713,351	15,010,160	13,327,357
Other non-current liabilities		1,346,030	797,143	760,534	-	-	-
Total non-current liabilities		171,240,871	145,452,617	230,567,008	164,837,547	25,273,005	56,585,191
Total liabilities		1,669,949,635	1,333,137,938	896,637,054	353,208,487	92,331,941	140,476,255

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Consolidated financial statements as at			Separate financial statements as at		
	December 31, 2012	December 31, 2011	January 1, 2011	December 31, 2012	December 31, 2011	January 1, 2011
		(Restated)	(Restated)		(Restated)	(Restated)
Shareholders' equity						
Share capital						
Authorized share capital						
132,000,000 ordinary shares @ Baht 1.00 each	132,000,000	132,000,000	132,000,000	132,000,000	132,000,000	132,000,000
Issued and paid-up share capital						
131,999,970 ordinary shares @ Baht 1.00 each	131,999,970	131,999,970	131,999,970	131,999,970	131,999,970	131,999,970
Retained earnings						
Appropriated						
Legal reserve	13,200,000	13,200,000	13,200,000	13,200,000	13,200,000	13,200,000
Unappropriated	788,093,974	702,617,872	606,342,338	710,490,729	548,028,087	510,965,843
Other components of shareholders' equity	700,165,952	501,707,381	501,506,381	279,773,627	230,701,974	230,500,974
Total shareholders' equity of the Company	1,633,459,896	1,349,525,223	1,253,048,689	1,135,464,326	923,930,031	886,666,787
Non-controlling interests of subsidiaries	254,173,043	78,116,631	69,515,034	-	-	-
Total shareholders' equity	1,887,632,939	1,427,641,854	1,322,563,723	1,135,464,326	923,930,031	886,666,787
Total liabilities and shareholders' equity	3,557,582,574	2,760,779,792	2,219,200,777	1,488,672,813	1,016,261,972	1,027,143,042

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF INCOME

For the Years ended December 31, 2012 and 2011

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues from operation					
Revenue from sales		2,697,479,307	2,052,850,129	-	-
Revenue from services		364,772,132	266,687,138	247,025,066	200,624,715
Revenue from real estate activities		8,860,000	23,000,000	8,860,000	18,450,000
Total revenues from operation		3,071,111,439	2,342,537,267	255,885,066	219,074,715
Cost from operation					
Cost of sales		(2,548,294,584)	(1,818,976,630)	-	-
Cost of services		(143,977,664)	(109,788,795)	(86,381,669)	(80,162,617)
Cost of real estate activities		(13,995,633)	(14,320,763)	(13,995,633)	(10,225,332)
Total cost from operation		(2,706,267,881)	(1,943,086,188)	(100,377,302)	(90,387,949)
Gross profit		364,843,558	399,451,079	155,507,764	128,686,766
Other income		22,387,733	19,890,642	11,331,570	7,797,756
Dividend income		86,600	73,000	98,903,150	73,000
Revenue from insurance compensation		25,984,598	-	-	-
Sale expenses		(53,272,956)	(27,817,849)	(986,387)	(1,474,802)
Administrative expenses	23	(125,979,045)	(104,882,383)	(35,949,388)	(33,938,740)
Loss from raw-material damaged by fire	9	-	(33,586,317)	-	-
Financial cost		(52,148,594)	(45,694,079)	(6,934,137)	(1,966,995)
Profit before income tax		181,901,894	207,434,093	221,872,572	99,176,985
Income tax expenses	25	(52,022,582)	(68,636,364)	(27,729,937)	(30,434,748)
Profit for the year		129,879,312	138,797,729	194,142,635	68,742,237
Profit (Loss) attributable to :					
Shareholders of the Company		117,156,095	127,955,527	194,142,635	68,742,237
Non-controlling interests of the subsidiaries		12,723,217	10,842,202	-	-
		129,879,312	138,797,729	194,142,635	68,742,237
Earnings per share	26				
Basic earnings per share		0.89	0.97	1.47	0.52
NUMBER OF ORDINARY SHARES (UNIT : SHARES)		131,999,970	131,999,970	131,999,970	131,999,970

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF COMPREHENSIVE INCOME

For the Years ended December 31, 2012 and 2011

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the year	129,879,312	138,797,729	194,142,635	68,742,237
Other comprehensive income for the year				
Change in shareholding ratio				
in subsidiary companies under common control	90,605,948	-	-	-
Gains on asset revaluation	107,466,691	-	48,685,721	-
Profits on revaluation of investment available for sale	385,932	201,000	385,932	201,000
Other comprehensive income for the year	198,458,571	201,000	49,071,653	201,000
Total comprehensive income for the year	328,337,883	138,998,729	243,214,288	68,943,237
Total comprehensive income attributable to :				
Shareholders of the Company	315,614,666	128,156,527	243,214,288	68,943,237
Non-controlling interests of the subsidiaries	12,723,217	10,842,202	-	-
Total comprehensive income for the year	328,337,883	138,998,729	243,214,288	68,943,237

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years ended December 31, 2012 and 2011

Consolidated financial statements

(Unit : Baht)

					Other components of shareholders' equity						
					Other items from						
					Other comprehensive income	changes in shareholders		Total			
					Change in	Capital surplus	Change in	other	Total	Non-	Total
					fair value of	from revaluation	shareholding ratio	components of	shareholders'	controlling	shareholders'
					investment	of assets	in subsidiary companies	shareholders'	equity	interests of	shareholders'
					available for sale	- the Company	under common control	equity	- the Company	subsidiaries	equity

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years ended December 31, 2012 and 2011

Separate financial statements

(Unit : Baht)

	Notes	Other components of shareholders' equity					
		Issued and paid-up share capital	Retained earnings		Other comprehensive income		Total
			Appropriated legal reserve	Unappropriated	Change in fair value of investment available for sale	Capital surplus from revaluation of assets - the Company	Total other components of shareholders' equity
							Total shareholders' equity
Balances as at January 1, 2010 (As previously reported)		131,999,970	13,200,000	510,965,843	(2,111,841)	-	654,053,972
Impact of change in accounting policy		-	-	-	-	232,612,815	232,612,815
Balances after adjustment		131,999,970	13,200,000	510,965,843	(2,111,841)	232,612,815	886,666,787
Dividend paid	22	-	-	(31,679,993)	-	-	(31,679,993)
Comprehensive income for the year		-	-	68,742,237	201,000	-	68,943,237
Balances as at December 31, 2011 (restated)		131,999,970	13,200,000	548,028,087	(1,910,841)	232,612,815	923,930,031
Dividend paid	22	-	-	(31,679,993)	-	-	(31,679,993)
Comprehensive income for the year		-	-	194,142,635	385,932	48,685,721	243,214,288
Balances as at December 31, 2012		131,999,970	13,200,000	710,490,729	(1,524,909)	281,298,536	1,135,464,326

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the Years ended December 31, 2012 and 2011

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax	181,901,894	207,434,093	221,872,572	99,176,985
Adjustments for				
Dividend income	(86,600)	(73,000)	(98,903,150)	(73,000)
Revenue from insurance compensation	(25,984,598)	-	-	-
Loss from raw-material damaged by fire	-	33,586,317	-	-
Doubtful debt (reversal)	2,449,008	(2,993,444)	-	-
Loss from the cost of goods exceeding net realizable value (reversal)	76,948,961	(2,555,968)	-	-
Loss from declining value of real estate development cost	8,234,052	-	8,234,052	-
Amortization of premium (discount) on bonds	5,547	5,509	(143)	(143)
Gain from disposed other long-term investments	24,801	-	24,801	-
Depreciation	67,822,246	58,299,210	6,219,134	7,234,308
Gain from disposed and demolished assets	(2,600,034)	(653,242)	(686,496)	(674,299)
Loss from impairment of value of investment property (reversal)	(282,000)	-	-	-
Loss from impairment of property, plant and equipment value	920,135	-	-	-
Unrealized (Gain) loss on exchange rate	(166,366)	249,323	-	-
Employee benefits obligations	2,385,633	4,348,802	1,193,322	1,682,803
Profits arise from estimates by actuarial techniques	(9,065,478)	-	(4,073,881)	-
Interest incomes	(991,927)	(712,542)	(2,133,806)	(605,503)
Interest expenses	50,961,998	44,784,378	6,934,137	1,966,995
Profit from operation before changes in operating assets and liabilities	352,477,272	341,719,436	138,680,542	108,708,146

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the Years ended December 31, 2012 and 2011

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Operating assets (increase) decrease				
Trade and other accounts receivable	9,687,298	(59,777,120)	7,151,560	(107,372)
Inventories	(552,647,975)	(452,272,496)	-	-
Real estate development cost	5,761,582	1,020,077	5,761,581	(3,037,353)
Other current assets	(2,208,312)	3,726,457	(271,922)	(78,792)
Other non-current assets	(263,537)	(2,972,492)	(2,827,031)	-
Operating liabilities increase (decrease)				
Trade and other accounts payable	257,296,376	10,636,568	1,238,401	5,158,184
Accrued discounts payable	(4,833,556)	(2,044,786)	(4,833,556)	(2,044,786)
Other current liabilities	(1,070,134)	312,509	(1,872,657)	1,724,243
Deposit received from warehouse and land rental	(1,388,800)	(259,749)	(4,845,560)	2,005,011
Employee benefit obligations	(677,484)	(1,480,658)	(416,250)	-
Other non-current liabilities	548,887	36,609	-	-
Cash received (paid) from operating activities	62,681,617	(161,355,645)	137,765,108	112,327,281
Interest received	984,599	712,573	2,730,436	311,948
Interest paid	(50,846,547)	(44,675,191)	(6,877,168)	(1,975,129)
Income tax paid	(68,559,359)	(64,957,497)	(35,442,268)	(23,096,383)
Compensation received from insurance company	25,984,598	-	-	-
Net cash received from (used in) operating activities	(29,755,092)	(270,275,760)	98,176,108	87,567,717

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the Years ended December 31, 2012 and 2011

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
CASH FLOW FROM INVESTING ACTIVITIES				
Cash received from short-term loan to related party	-	-	19,000,000	-
Cash paid for investments in subsidiaries company	-	-	(297,198,000)	-
Cash receives from dividend	86,600	73,000	98,903,150	73,000
Cash received from redemption of other long-term investments	2,959,700	750,000	2,959,700	-
Cash paid for additional investment in other long-term investments	(3,429,160)	-	(3,429,160)	-
Cash received from long-term loan to related party	-	-	51,000,000	22,000,000
Purchased investment properties	(159,813,101)	(1,035,611)	(189,808,825)	(2,340,817)
Purchased property, plant and equipment	(95,933,821)	(65,032,170)	(24,852,080)	(4,508,905)
Cash received from sale of asset	2,783,228	1,193,046	1,314,019	1,186,916
Cash paid for purchase of intangible assets	-	(2,327,531)	-	(1,159,836)
Net cash received from (used in) from investing activities	(253,346,554)	(66,379,266)	(342,111,196)	15,250,358
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (Decrease) in short-term loan from financial institutions	100,541,162	485,212,713	100,000,000	(34,000,000)
Decrease in short-term loan from related parties	-	-	-	(10,000,000)
Cash paid for payable for asset purchased	(7,673,982)	(1,767,353)	-	-
Cash paid for long-term loan from related parties	-	-	(25,000,000)	-
Cash received from long-term loan from financial institutions	225,000,000	-	225,000,000	-
Cash paid for long-term loan from financial institutions	(221,410,000)	(70,000,000)	(25,410,000)	(20,000,000)
Cash paid for liabilities under long-term lease contracts	(693,805)	-	(392,530)	-
Dividend paid	(31,679,993)	(31,679,993)	(31,679,993)	(31,679,993)
Payment to the non-controlling interest of the subsidiaries from dividends	(1,183,450)	-	-	-
Cash receive from the non-controlling interest of the subsidiaries	255,122,593	-	-	-
Net cash received from (used in) from financing activities	318,022,525	381,765,367	242,517,477	(95,679,993)
Cash and cash equivalent items increase-net	34,920,879	45,110,341	(1,417,611)	7,138,082
Cash and cash equivalent items at the beginning of the year	102,103,975	56,993,634	11,549,945	4,411,863
Cash and cash equivalent items at the end of the year	137,024,854	102,103,975	10,132,334	11,549,945

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW

For the Years ended December 31, 2012 and 2011

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Additional disclosure :				
1. Significant non-cash items in the consolidated and the separate financial statements are as follows :-				
- Profits from revaluation of investment available for sale	385,932	201,000	385,932	201,000
- Purchases of investmet properties which had not yet been paid	800,000	-	800,000	-
- Purchases of property, plant and equipment which had not yet been paid	4,306,168	5,096,864	138,020	-
- Vehicles purchased by committing to long-term lease contracts	10,184,170	-	7,006,600	-
- Gain on asset revaluation	107,466,691	-	48,685,721	-
- Transferred property, plant and equipment to investment properties	140,586	-	2,719,044	-
- Transferred property, plant and equipment to other current assets	903,313	-	-	-
- Transfer of other non-current assets to property, plant and equipment	-	1,478,962	-	-
- Transfer of other current asset to property, plant and equipment	-	918,062	-	-
- Adjusted the beginning balance of retained earnings with employee benefit obligations	-	21,283,530	-	13,327,357
- Adjusted the non-controlling interests of the subsidiaries with employee benefit obligations	-	2,240,605	-	-
- Recognized surplus from change in shareholding ratio in subsidiary companies	90,605,948	-	-	-
2. Cash and cash equivalent items consisted of :				
- Cash	95,092	151,778	50,000	53,214
- Savings and current account deposit	136,929,762	101,952,197	10,082,334	11,496,731
Total	137,024,854	102,103,975	10,132,334	11,549,945

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

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

1. General information

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED (The Company) was registered on September 27, 1976 as a limited company under Civil and Commercial Code with company registration number 1119/2519 and later registered its conversion to a public company limited on May 17, 1994 with registration number 0107537001692. The Company listed with the Stock Exchange of Thailand on July 13, 1990. Its registered office is located at 90 Moo 1, Soi Siamsilo, Poochaosamingphrai Road, Tambon Samrongklang, Amphur Phrapradaeng, Samutprakarn Province, Thailand.

The Company operates businesses relating to transfer and transportation services for sugar and certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of buildings on land for sale, rental, hire-purchase for residential, office and commercial units and the subsidiary companies' main activities are disclosed in the notes to financial statements No. 4.1.

The Company is a subsidiary of Khon Kaen Sugar Industry Public Co., Ltd. which holds 23.82% of the Company's shares and has a joint-control of the Company. Its office is located at 503 K.S.L. Tower, 9th Floor, Sriyudahya Road, Ratchathewi, Bangkok and its factory is located at 43 Moo 10, Tambon Namphong, Amphur Namphong, Khonkaen Province. The main business of the Company is to manufacture and distribute sugar and molasses.

2. Basis of financial statement preparation

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

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

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

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

- 2.3 Federation of Accounting Professions has issued and revised Thai financial reports standards (TFRS), that have not been adopted in the preparation of these financial statements as listed below.

- 2.3.1 Which are expected to be effective for financial statements beginning on or after January 1, 2013 onwards.

<u>Reference standard No.</u>	<u>Name</u>
TAS No. 12	Income Taxes
TAS No. 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS No. 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS No. 8	Operating Segments
TSIC No. 10	Government Assistance - No Specific Relation to Operating Activities
TSIC No. 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC No. 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Accounting Treatment Guidance for Transfers to and Transfers from of Financial Assets	

- 2.3.2 Which are expected to be effective for financial statements beginning on or after January 1, 2014 onwards.

<u>Reference standard No.</u>	<u>Name</u>
TSIC No. 29	Service Concession Arrangements: Disclosures
TFRIC No. 4	Determining whether an Arrangement contains a Lease
TFRIC No. 12	Service Concession Arrangements
TFRIC No. 13	Customer Loyalty Programmes

The Company's and its subsidiaries' management will adopt the above TFRS relevant to the Company and its subsidiaries in the preparation of the financial statements of the Company and its subsidiaries when they become effective. In addition, the Company's management has assessed the effects of these standards and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied, except for TAS 12 "Income Taxes" and TSIC 21 "Income Taxes-Recovery of Revalued Non-Depreciable Assets" which the Company's management is in the process of assessing the impact of this standard on the financial statements for the period in which it is initially applied.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized. in the period in which estimates are revised and in any future periods affected The significant estimates and assumptions are as follows: -

Lease agreement

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

Allowance for doubtful debt

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

Allowance for the cost of goods exceeding net realisable value/Allowance for loss from dilapidated raw material

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

Investment properties, property, plant and equipment and depreciation

In determining depreciation of investment properties, property, plant and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties, property, plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

Estimate on employee benefit obligations

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

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

3. Account reclassification and significant changes in accounting policies

3.1 During 2012, the Company and its subsidiaries have reclassified items investment properties account to account of property, plant and equipment so that to comply with operations of the Company and its subsidiaries. Therefore, the consolidated and separate statements of financial positions as at December 31, 2011 and January 1, 2011, presented herein for comparison, have been retrospectively adjusted for the effect of the change to be in accordance with the Thai Accounting Standard No. 8 (Revised 2009) on “accounting policies, changes in accounting estimates and errors”. The effect can be shown as follows :-

	Consolidated Financial Statements			Separate Financial Statements		
	Before Reclassification	Reclassification Increase (Decrease)	After Reclassification	Before Reclassification	Reclassification Increase (Decrease)	After Reclassification
Statements of financial position as at January 1, 2011						
Investment properties-net	135,908,988	(54,996,966)	80,912,022	76,229,987	1,713,574	77,943,561
Property, plant and equipment-net	971,313,577	54,996,966	1,026,310,543	59,302,001	(1,713,574)	57,588,427
Statements of financial position as at December 31, 2011						
Investment properties-net	132,696,222	(52,243,946)	80,452,276	74,291,021	1,713,574	76,004,595
Property, plant and equipment-net	989,380,381	52,243,946	1,041,624,327	60,343,764	(1,713,574)	58,630,190

The above reclassification has no effect to the reported the profit, earnings per share and comprehensive income for the year or shareholders' equity as already reported.

- 3.2 During 2012, the Company and its subsidiaries have changed their accounting policy for land, which shown in property, plant and equipment account, from cost method to revaluation method because the Company's management believe that the new policy is more practical for current situation and operations of the Company and its subsidiaries. Therefore, the consolidated and separate financial statements for the year ended December 31, 2011, and the consolidated and separate statements of financial position as at January 1, 2011, presented herein for comparison, have been retrospectively adjusted for the effect of the change to be in accordance with the Thai Accounting Standard No. 8 (Revised 2009) on "accounting policies, changes in accounting estimates and errors", which has had the effect that the total assets as at December 31, 2011 and January 1, 2011 increased in the consolidated financial statements by Baht 490.66 million for both years and in the separate financial statements increased by Baht 232.61 million for both years and the equity in the consolidated and the separate financial statements also increased by the same amount. The effect can be shown as follows :-

(Unit : Baht)

	Consolidated financial statements			Separate Financial Statements		
	Before readjustment	Readjustment increase (Decrease)	After readjustment	Before readjustment	Readjustment increase (Decrease)	After readjustment
Statements of financial position as at January 1, 2011						
Property, plant and equipment-net (After reclassification as mentioned in the notes to financial statements No. 3.1)	1,026,310,543	490,660,740	1,516,971,283	57,588,427	232,612,815	290,201,242
Other components of shareholders' equity	10,845,641	490,660,740	501,506,381	(2,111,841)	232,612,815	230,500,974
Statements of financial position as at December 31, 2011						
Property, plant and equipment-net (After reclassification as mentioned in the notes to financial statements No. 3.1)	1,041,624,327	490,660,740	1,532,285,067	58,630,190	232,612,815	291,243,005
Other components of shareholders' equity	11,046,641	490,660,740	501,707,381	(1,910,841)	232,612,815	230,701,974
Statements of changes in shareholders' equity for the year ended December 31, 2011						
Capital surplus from revaluation of assets of the Company	-	490,660,740	490,660,740	-	232,612,815	232,612,815

The said changes have no effect to the reported profit, earnings per share and comprehensive income for the year as already reported.

4. Basis of the consolidated financial statements preparation

- 4.1 The consolidated financial statements have been prepared by consolidating the financial statements of the Company and of five subsidiary companies (collectively called the “Group Companies”) The detail of structure and shareholding ratio of the Group Companies is as follows :-

	<u>Percentage of shareholding</u>		<u>Incorporated in</u>	<u>Type of business</u>
	<u>2012</u>	<u>2011</u>		
T S G ASSET CO., LTD.	79.78	79.78	Thailand	Property rental
T S OIL INDUSTRY CO., LTD.	97.16	94.31	Thailand	Property sales, purchase, rental and Development and palm oil extracting operation
T S FLOUR MILL PUBLIC CO., LTD.	69.34	98.82	Thailand	Produce and distribute wheat flour
T S WAREHOUSE CO., LTD.	64.13	64.13	Thailand	Warehousing and loading of goods
T S TRANSPORT AND LOGISTIC CO., LTD.	85.90	85.90	Thailand	Production of polypropylene bag, plastic fiber, plastic resin and plastic, including the purchase and distribution of the said products and providing transportation and security services.

- 4.2 Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- 4.3 The consolidated financial statements have been prepared using the same accounting policy for the same accounting items and other events in the similar situation.
- 4.4 The accounting periods of subsidiary companies ended the same date as that of Thai Sugar Terminal Public Company Limited.
- 4.5 The consolidated financial statements combine the accounts of the Company and subsidiary companies after eliminating inter-company transaction items. The balances between the Company and subsidiary companies, significant intra-group transactions, investments in subsidiary companies and share capital of subsidiary companies have already been eliminated from the consolidated financial statements.

5. Summary of significant accounting policies

The significant accounting policies of the Group Companies can be summarized as follows:

- 5.1 Cash and cash equivalent items includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits and short-term investments which are not exceeding 3 months duration for repayment with no obligation commitment.
- 5.2 Trade accounts receivable and other accounts receivable are shown at net realizable value. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments from the uncollectability of each account receivable. Bad debts are written off when incurred.
- 5.3 Inventories are shown at the lower of cost or net realizable value and adjusted by slow-moving or out-of-date goods, which estimate from each type of goods expected to be dilapidated (if any). The following calculation for cost is observed :
- Raw materials, supplies and factory supplies-calculated by using first in-first out method, except palm oil-raw material which is calculated by using the weighted average method.
 - Wheat flour and polypropylene bags-goods in process and finished goods-calculated by the actual cost incurred using the first in-first out method.
 - Palm oil's work-in-process and finished goods is calculated by the actual cost incurred under the weighted average method.

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

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

5.4 Real estate development cost is shown at the lower of cost or net realizable value using the specific method, which consists of land cost, filling cost, construction cost, utility-system development cost and direct cost to acquire the products and set them to be ready for sale.

5.5 Investments

5.5.1 Investments in subsidiary companies in the separate financial statements are recorded under the cost method net by the allowance for accumulated impairment and the recognition of the change in the investment in the statements of comprehensive income is recorded when the investment is disposed or the impairment of the investment incurred.

5.5.2 Investments in marketable debt and equity instruments which are recorded as securities for sale are those held for an unspecified period which might be sold in need of liquidity and shown in total under of non-current assets except the management has intention to hold them for less than 12 months from the statement of financial position date or the management want to sell them to increase the working capital. In the latter case, they will be classified as current asset. Normally, the management will fix the appropriate classification at the time of investing and will review the classification regularly. These investments are valued at fair values, which are calculated from the latest quote of purchase price as of the accounting year end date and recognised the change in value in the statements of comprehensive income, while profit or loss will be recognized when these investments are sold or impaired in value, the recognition will be made through the statements of income. The cost of the disposed investment is calculated by the weighted average method.

5.5.3 Investments in debt instruments which are held until maturity will be classified as short-term or long-term investments according to the remaining maturity period. They are shown at amortized cost and deducted by the allowance for accumulated impairment (if any). The Group Companies amortized premium/discount over value of debt instruments using the straight-line method and the amount written off/amortized will be shown as item combine/shown in the statements of income.

5.5.4 General investments are non-marketable equity instruments, shown at cost net off by allowance for accumulated impairment (if any) and change in value of general investments is recognised in the statements of income when they are sold or impaired.

- 5.6 Investment properties: The Group Companies recorded the initial value of the investment properties at cost. Afterward, the Group Companies would record the investment properties at cost less accumulated depreciation and allowance for impairment (if any).

The depreciation of the investment properties is calculated from cost on the straight-line basis over the estimated useful life of 5-72 years. The depreciation of the investment properties is included in the calculation for the operating result.

No depreciation is calculated for investment properties in case of land and work in process.

The Group Companies recognise the difference between the assets' net realizable value and book value in the profit or loss for the period the investment properties are derecognized from the account.

- 5.7 Land is stated at the revalued amount less allowance for impairment of asset (if any). The revalued amount is the fair value determined on the basis of the market price at the date of revaluation. Plant and equipment are stated at cost less accumulated depreciation and the allowance for impairment of asset (if any).

Revaluation is performed by independent professional appraisers, which the Company has the policy that the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the statement of financial position date. Increase from appraisal value will be recorded directly to the comprehensive income, and decrease from cost recorded as loss from decrease in revaluation of assets in the statements of income.

The depreciation of the building and equipment calculates from the cost of assets using the straight-line basis over their estimated useful lives as follows :-

- Building, building improvements and construction	4-70	years
- Land leasehold improvement	30	years
- Roads	5, 10 and 30	years
- Ports	13-45	years
- Machines and equipment	5-30	years
- Motor vehicle	5-20	years

The depreciation is included in the calculation for the operating result. No depreciation is calculated for the land, assets in construction and machine during installation.

Interest expenses incurred from the loan obtained specifically for the work in construction project and during installation are included in the cost of the said work in construction until it is ready for its intended usage.

The Group Companies derecognize property, plant and equipment from the account on disposal or no future economic benefits are expected from its usage or disposal. Any gain or loss arising on disposal is recognized when the said asset is derecognized from the account.

- 5.8 Intangible assets are shown at cost less by accumulated, amortized expense and allowance for impairment (if any) of that asset. The Group Companies make amortization of intangible asset with certain useful life systematically throughout the useful life of such asset and will review the period and method for amortization of intangible assets with certainty in useful life at least at the end of every year. Amortized expense will be recognised in the statement of comprehensive income. The estimated useful lives are as follows:

- Accounting software	10	years
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- 5.9 Impairment of assets, with the main business activities assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group Companies make an estimate of the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statements of income (An asset's recoverable amount is the higher of net selling price and value in use of the said assets).

- 5.10 The recording of long-term lease contracts as both an asset and a liability is made in the statement of financial position at the same amount equivalent to fair value of leased asset as at the commencing date of the agreement or the present value of the minimum amount payable under the agreement whichever is the lower. The discount rate to be used in calculating such present value is the interest rate specified in the lease agreement. The directly related initial cost is included in the cost of the asset and the paid lease fee will be appropriated partly as financial expense and other to reduce the principle. The said financial expense will be apportioned to various periods throughout the term of agreement so that the interest rate compared to the remaining amount of debt at each period is constant. Depreciation policy for lease assets conforms to depreciable assets owned by the Group Companies.

- 5.11 Trade and other accounts payable are shown at cost.

5.12 Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as the expense for the year.

5.13 Employee benefits

Short-term employee benefits

The Group Companies recognize salaries, wages, bonuses and contributions to Social Security Fund as expense when incurred.

Post-employment benefits (Defined contribution plans)

The Group Companies and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group Companies. The fund's assets are held in a separate trust fund and the Group Companies' contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Group Companies have obligations in respect of the severance payments then must make to employees upon retirement under labor law. The Group Companies treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in profit or loss.

5.14 Estimation of liabilities: The Group Companies will record liability estimates whenever there is certainty that liability or obligation will occur at present legally or by estimation from the result connected with the past event. Such obligation is expected to cause damage to loss of useful or economic resources in order to make payment toward obligation and the amount to be paid is respectfully estimated. If payment made toward liability estimated is recovered fully or partly with certainty, the Group Companies will recorded the recovered payment as asset separately but the amount so recorded must be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of income in the net amount after recovered expense already recognized.

- 5.15 Change in shareholding ratio in subsidiary companies under common control is the difference between the investment for the change in proportion in subsidiary companies and book value of the subsidiary companies resulted from the change in proportion of investment in that subsidiary companies. The difference is shown as a separate item in the consolidated statements of financial position under the shareholders' equity and will be written off when the investment is disposed.
- 5.16 Non-controlling interests of subsidiary companies represent the portion of book value of the net assets of the subsidiary companies under the shareholding ratio that are not held by the Group Company and are presented separately under the shareholders equity in the consolidated statements of financial position and net profit (loss) of the non-controlling interest are presented separately in the consolidated statements of income and the consolidated statement of comprehensive income.
- 5.17 Incomes recognition, revenue recognised excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts with the following policies: -
- 5.17.1 Sale of goods: revenue is recognised in the statements of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or render of services or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.
- 5.17.2 Revenue from transferring of goods, revenue from warehousing and other services are recognised when those services are already rendered.
- 5.17.3 Revenue from rent and service fee are recognized under the accrual basis according to the rates stipulated in each service agreement.
- 5.17.4 Revenue from sale of houses together with land is recognised when the construction is completed pursuant to the agreement, full payment made under sale and purchase agreement and the ownership already transferred to the purchaser.
- 5.17.5 Dividend income is recognized on the date that has right to receive payments is established.

- 5.17.6 Revenues from interest received and discount received from purchase of discounted notes receivable are recognized according to the related period.
- 5.17.7 Other revenues are recognized by accrual basis.
- 5.18 Expenses recognition are as follows :-
- 5.18.1 In case of cost of sale for house together with land, the Group Companies calculates by appropriating all estimated development costs of properties (based on actual costs) to house and land sold according to saleable areas and then recognizing it as cost of sales in the statements of income according to proportion of revenue recognition.
- 5.18.2 For asset under lease contract, in which risk and ownership right in that asset vested in the lessor, is treated as operating lease contract. Leasing fee paid under the operating lease contract is accounted as expense by straight-line method throughout the lease period.
- 5.18.3 Financial costs such as interest expenses and similar costs are charged to the statements of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.
- 5.18.4 Other expenses are recognised by accrual basis.
- 5.19 Income tax will be recognised as expense item whenever liable to pay tax and calculate the tax from the taxable profit for the year under the Revenue Code.
- 5.20 The calculations of basic earnings per share for the year were based on the profit for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares held by outsiders during the year.
- 5.21 Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the year-end date are translated into Baht at the rates ruling on that date. Exchange gains or losses are included as incomes or expenses in the statements of income of the year.

5.22 The related parties and related companies with the Group Companies meant individuals or enterprises which have the controlling power over the Group Companies or are controlled by Group Companies either directly or indirectly, or under the same control with the Group Companies. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Group Companies, important management, directors or the employees of the Group Companies who have the power to plan and control the operations of the Group Companies including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

5.23 The sectoral business operation is disclosed under the separate business sectors of the Group Companies, by the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

5.24 Financial instruments consisted of financial assets and liabilities which were carried on the financial statements include cash and cash equivalents, trade accounts receivable and payable, other accounts receivable and payable, 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.

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

6. Inter-transactions and remaining balances between related parties

Related parties are those parties linked to the Group Companies as shareholders or by common shareholders or directors. Significant inter-transactions and remaining balances between the Company and the parent company, the subsidiaries and related parties were as follows :-

6.1 Inter-assets and liabilities

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Trade accounts receivable				
T S Oil Industry Co., Ltd.	-	-	4,922	37,557
T S Warehouse Co., Ltd.	-	-	-	897,669
T S Transport and Logistics Co., Ltd.	-	-	3,990	2,033
Khon Kaen Sugar Industry Public Co., Ltd.	7,215,105	3,103,213	1,909,950	274,188
Rajburi Sugar Co., Ltd.	319,714	1,222,237	129,587	707,800
Mitr Kaset Sugar Industry Co., Ltd.	58,347	99,649	26,599	-
Prachaup Industry Co., Ltd.	42,115	934,117	23,540	3,750
New Krung Thai Sugar Industry Co., Ltd.	1,325,029	3,202,862	642,599	1,600,988
Tamaka Sugar Industry Co., Ltd.	153,143	2,277,931	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	262,276	787,173	-	355,775
Eastern Sugar And Sugar Cane Co., Ltd.	-	17,021	-	10,166
Total	9,375,729	11,644,203	2,741,187	3,889,926
- Other accounts receivable				
T S G Asset Co., Ltd.	-	-	20,441	20,223
T S Oil Industry Co., Ltd.	-	-	14,236	-
T S Flour Mill Public Co., Ltd.	-	-	6,059	367
T S Warehouse Co., Ltd.	-	-	-	1,901,620
T S Transport and Logistics Co., Ltd.	-	-	32,483	1,733
Khon Kaen Sugar Industry Public Co., Ltd.	-	722	-	722
Rajburi Sugar Co., Ltd.	4,200	10,352	4,200	10,352
New Krung Thai Sugar Industry Co., Ltd.	2,917	-	2,917	-
Prachaup Industry Co., Ltd.	160	-	160	-
Total	7,277	11,074	80,496	1,935,017
- Accrued interest				
T S Oil Industry Co., Ltd.	-	-	-	596,630
- Other accounts receivable due more than one year				
T S Flour Mill Public Co., Ltd.	-	-	2,907,632	-
- Short-term loan to				
T S Oil Industry Co., Ltd.				
Beginning balance	-	-	19,000,000	19,000,000
Increase in the year	-	-	-	-
Received in the year	-	-	(19,000,000)	-
Ending balance	-	-	-	19,000,000

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Long-term loan to				
T S Oil Industry Co., Ltd.				
Beginning balance	-	-	51,000,000	73,000,000
Increase in the year	-	-	-	-
Received in the year	-	-	(51,000,000)	(22,000,000)
Ending balance	-	-	-	51,000,000

The short-term loan to subsidiary company is made under loan agreement, that fixes repayment of principal immediately once it is no longer needed and the interest rate shall be paid monthly with reference rate is based on the financial market situation at that time.

As at December 31, 2011, the long-term loan to subsidiary company is made under loan agreement with the repayment of the principal scheduled within 3 years and the interest shall be paid monthly at the interest rate of MLR-2.00% per annum. In the 3rd quarter of 2012 the Company has already received the whole amount of loan.

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Trade accounts payable				
T S Warehouse Co., Ltd.	-	-	256,800	1,446,105
- Accrued discounts payable				
Khon Kaen Sugar Industry Public Co., Ltd.	780,950	177,449	780,950	177,449
Rajburi Sugar Co., Ltd.	2,916,772	1,561,899	2,916,772	1,561,899
Mitr Kaset Sugar Industry Co., Ltd.	1,315,388	359,784	1,315,388	359,784
New Krung Thai Sugar Industry Co., Ltd.	647,541	342,000	647,541	342,000
Tamaka Sugar Industry Co., Ltd.	359,437	-	359,437	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	220,681	105,450	220,681	105,450
Total	6,240,769	2,546,582	6,240,769	2,546,582
- Accrued interest expenses				
T S Warehouse Co., Ltd.	-	-	-	88,099

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Deposit received from warehouse, land rental and tank rental				
T S Oil Industry Co., Ltd.	-	-	1,392,390	1,392,390
T S Flour Mill Public Co., Ltd.	-	-	1,031,300	1,031,300
T S Warehouse Co., Ltd.	-	-	969,000	4,945,960
T S Transport and Logistics Co., Ltd.	-	-	660,600	630,000
Total	-	-	4,053,290	7,999,650
- Current portion of long-term loan from related party				
T S Warehouse Co., Ltd.				
Beginning balance	-	-	25,000,000	35,000,000
Increase in the year	-	-	-	-
Repaid in the year	-	-	(25,000,000)	(10,000,000)
Ending balance	-	-	-	25,000,000

As at December 31, 2011, the loan from subsidiary company is a loan under agreement with the repayment of the principal scheduled within 3 years. The interest payment must be made every quarter at the interest rate of three-month fixed deposit interest plus 0.75% per annum. The interest rate shall be revised every quarter when the interest is due. In the 2nd quarter of 2012, the Company has already paid the whole amount of loan.

6.2 Inter-revenues-expenses

- The amounts of revenues for the year ended on December 31, 2012 and 2011

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Revenue from warehouse rental				
T S Oil Industry Co., Ltd.	-	-	3,213,840	3,213,840
T S Flour Mill Public Co., Ltd.	-	-	1,980,000	1,980,000
T S Warehouse Co., Ltd.	-	-	30,629,643	30,531,764
T S Transport and Logistics Co., Ltd.	-	-	1,893,455	1,890,000
Total	-	-	37,716,938	37,615,604

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Revenue from land rental and tank rental				
T S G Asset Co., Ltd.	-	-	1,218,600	1,218,600
T S Oil Industry Co., Ltd.	-	-	5,658,900	5,608,900
T S Flour Mill Public Co., Ltd.	-	-	6,814,642	4,207,800
T S Warehouse Co., Ltd.	-	-	2,304,000	2,304,000
T S Transport and Logistics Co., Ltd.	-	-	824,000	834,000
Total	-	-	16,820,142	14,173,300
- Revenue from service fee of loading and service				
Khon Kaen Sugar Industry Public Co., Ltd.	22,252,273	12,923,914	19,701,724	11,824,567
Rajburi Sugar Co., Ltd.	9,312,862	9,023,003	8,496,691	8,820,788
Mitr Kaset Sugar Industry Co., Ltd.	7,048,896	1,448,770	6,072,448	1,307,719
Prachaup Industry Co., Ltd.	13,328,925	5,570,719	12,305,640	5,423,087
New Krung Thai Sugar Industry Co., Ltd.	26,614,206	14,763,831	24,717,803	12,985,949
Tamaka Sugar Industry Co., Ltd.	10,461,512	6,377,242	9,313,161	5,870,457
New Kwang Soon Lee Sugar Industry Co., Ltd.	5,916,992	3,768,811	5,358,693	3,304,773
Eastern Sugar and Sugar Cane Co., Ltd.	292,963	918,042	292,963	918,042
Total	95,228,629	54,794,332	86,259,123	50,455,382
- Revenue from weigh station service				
T S Oil Industry Co., Ltd.	-	-	-	452,950
- Revenue from warehousing				
Khon Kaen Sugar Industry Public Co., Ltd.	5,835,754	4,474,155	-	-
Rajburi Sugar Co., Ltd.	2,983,706	2,765,627	-	67,557
Mitr Kaset Sugar Industry Co., Ltd.	1,821,874	896,706	-	-
Prachaup Industry Co., Ltd.	4,977,880	2,803,204	-	-
New Krung Thai Sugar Industry Co., Ltd.	7,380,395	3,889,931	-	-
Tamaka Sugar Industry Co., Ltd.	4,511,931	2,496,516	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	2,050,225	1,271,919	-	-
Eastern Sugar and Sugar Cane Co., Ltd.	-	89,731	-	-
Total	29,561,765	18,687,789	-	67,557
- Revenue from selling and exchanging burlap sacks				
Khon Kaen Sugar Industry Public Co., Ltd.	12,947,310	2,595,000	-	-
Rajburi Sugar Co., Ltd.	190,000	15,000	190,000	-
Mitr Kaset Sugar Industry Co., Ltd.	4,427,500	516,568	-	-
Prachaup Industry Co., Ltd.	197,777	1,734,356	197,777	-
New Krung Thai Sugar Industry Co., Ltd.	-	2,745,865	-	-
Tamaka Sugar Industry Co., Ltd.	6,061,661	4,493,540	-	-
New Kwang Soon Lee Sugar Industry Co., Ltd.	3,979,986	2,832,900	-	-
Total	27,804,234	14,933,229	387,777	-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Dividend income				
T S Flour Mill Public Co., Ltd.	-	-	98,816,550	-
- Other incomes				
T S Flour Mill Public Co., Ltd.	-	-	3,043,236	13,062
T S Transport and Logistics Co., Ltd.	-	-	29,230	13,900
Khon Kaen Sugar Industry Public Co., Ltd.	-	33,000	-	-
Rajburi Sugar Co., Ltd.	-	208,872	-	-
Prachaup Industry Co., Ltd.	-	180,420	-	-
T S Oil Industry Co., Ltd.	-	-	347,060	-
T S G Asset Co., Ltd.	-	-	224,119	-
Total	-	422,292	3,643,645	26,962
- Interest incomes				
T S Oil Industry Co., Ltd.	-	-	1,908,555	3,643,750
- Sale of assets				
T S Oil Industry Co., Ltd.	-	-	1,450,000	-

- The amounts of expenses for the year ended on December 31, 2012 and 2011

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Expenses of loading and service				
T S Warehouse Co., Ltd.	-	-	23,333,834	26,763,310
- Discount expenses				
Khon Kaen Sugar Industry Public Co., Ltd.	3,845,990	3,085,196	3,845,990	3,085,196
Rajburi Sugar Co., Ltd.	1,354,873	1,274,124	1,354,873	1,274,124
Mitr Kaset Sugar Industry Co., Ltd.	1,315,388	359,784	1,315,388	359,784
Prachaup Industry Co., Ltd.	1,152,343	659,300	1,152,343	659,300
New Krung Thai Sugar Industry Co., Ltd.	4,448,970	3,542,519	4,448,970	3,542,519
Tamaka Sugar Industry Co., Ltd.	2,179,247	940,772	2,179,247	940,772
New Kwang Soon Lee Sugar Industry Co., Ltd.	1,541,365	1,213,782	1,541,365	1,213,782
Total	15,838,176	11,075,477	15,838,176	11,075,477
- Car rent				
Parahitac Co., Ltd.	-	360,000	-	360,000

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
- Other expenses				
T S Transport and Logistics Co., Ltd.	-	-	1,547,050	2,129,000
- Interest expenses				
T S Warehouse Co., Ltd.	-	-	316,490	767,431
- Executives and important management's remuneration			-	
Short-term employee benefits	55,558,864	44,637,075	16,356,020	14,932,020
Post-employment benefits	1,378,310	2,292,602	552,154	829,376
Total	<u>56,937,174</u>	<u>46,929,677</u>	<u>16,908,174</u>	<u>15,761,396</u>

Policy of inter-price setting

- Revenues from inter-sales and services, inter-other income and expenses are the same price and on the same trading term with those applied to other parties.
- Revenues from inter-rental conform to terms as in general rental agreements ranging from 2 months to 30 years.
- No fee is charged for the inter-credit facility guarantee.

6.3 Relationship of related companies

<u>Company's name</u>	<u>Relationship</u>
KHON KAEN SUGAR INDUSTRY PUBLIC CO., LTD.	Parent company
T S G ASSET CO., LTD.	Subsidiary company
TS OIL INDUSTRY CO., LTD.	Subsidiary company
T S FLOUR MILL PUBLIC CO., LTD.	Subsidiary company
T S WAREHOUSE CO., LTD.	Subsidiary company
T S TRANSPORT AND LOGISTICS CO., LTD.	Subsidiary company
RAJBURI SUGAR CO., LTD.	Related company with mutual shareholders and directors
MITR KASET SUGAR INDUSTRY CO., LTD.	Related company with mutual shareholders and directors
PRACHAUP INDUSTRY CO., LTD.	Related company with mutual shareholders and directors
K.S.L EXPORT TRADING CO., LTD.	Related company with mutual shareholders and directors
PARAHITAC CO., LTD.	Related company with mutual shareholders and directors
NEW KRUNG THAI SUGAR INDUSTRY CO., LTD.	Related company with mutual directors
TAMAKA SUGAR INDUSTRY CO., LTD.	Related company with mutual directors
NEW KWANG SOON LEE SUGAR INDUSTRY CO., LTD.	Related company with mutual directors
THE THAI SUGAR TRADING CO., LTD.	Related company with mutual directors
EASTERN SUGAR AND SUGAR CANE CO., LTD.	Related company with mutual directors

The above related companies are incorporated in Thailand and have Thai citizenship.

7. Privileges from investment promotion

A subsidiary company received an investment promotion certificate from the Board of Investment of Thailand (BOI) under the Investment Promotion Act B.E. 2520. The benefits received include the exemption of import duty for the approved machineries which have to be imported within February 25, 2012 and the exemption of corporate income tax on net profit derived from operating business under investment promotion aggregated to not more than 100% of the investment excluding the land cost and the working capital for the period of 8 years commencing from the first day the income is generate from promoted business. The subsidiary company first derived the revenue from the promoted business on June 5, 2010 until June 4, 2018. The details of investment certificates received are as follows :-

<u>Certificate No.</u>	<u>Date</u>	<u>Sections</u>	<u>Promoted activity types</u>
1657(2)/2552	August 25, 2009	25 26 28 31(1) (3) (4) and 34	Production of pure vegetable oil and /or semi-pure vegetable oil and activity no. 1.12 manufacturing of oil or fat from plants and animals

8. Trade and other accounts receivable-net

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade accounts receivable-related parties	9,375,729	11,644,203	2,741,187	3,889,926
Trade accounts receivable-other parties	283,275,415	288,640,556	6,101,053	9,501,324
Total trade accounts receivable	292,651,144	300,284,759	8,842,240	13,391,250
<u>Less</u> Allowance for doubtful debts	(8,131,503)	(5,682,495)	-	-
Trade accounts receivable-net	284,519,641	294,602,264	8,842,240	13,391,250
Other accounts receivable-related parties	7,277	11,074	80,496	1,935,017
Other accounts receivable-other parties	523,173	392,862	72,563	186,299
Prepaid expenses	2,925,349	2,402,946	272,648	835,948
Accrued income-related parties	-	-	-	596,630
Accrued income-other parties	16,028	2,836,652	2,665	2,665
Deposit paid	257,176	80,000	6,000	-
Advance payment	146,670	198,494	-	76,993
Total other accounts receivable	3,875,673	5,922,028	434,372	3,633,552
Total trade and other accounts receivable-net	288,395,314	300,524,292	9,276,612	17,024,802

Aging analyses for trade accounts receivable were as follows :-

8.1 Trade accounts receivable-related parties

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Domestic trade accounts receivable				
Not yet due	9,189,792	11,105,185	2,644,354	3,647,081
Overdue not over 3 months	185,937	334,693	96,833	38,520
Overdue over 3 months but not over 6 months	-	204,325	-	204,325
Total	9,375,729	11,644,203	2,741,187	3,889,926

The normal credit term granted by the Group Companies ranges from 30 days to 90 days.

8.2 Trade accounts receivable-other parties-net

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Domestic trade accounts receivable				
Not yet due	169,124,727	185,046,232	5,286,672	8,987,558
Overdue not over 3 months	104,858,081	96,531,599	814,351	333,638
Overdue over 3 months but not over 6 months	25,217	1,380,200	-	180,098
Overdue over 6 months but not over 9 months	2,705,647	-	-	-
Overdue over 9 months but not over 12 months	-	-	-	-
Overdue over 12 months	6,561,743	5,682,525	30	30
Total	283,275,415	288,640,556	6,101,053	9,501,324
<u>Less</u> Allowance for doubtful accounts	(8,131,503)	(5,682,495)	-	-
Net	275,143,912	282,958,061	6,101,053	9,501,324

The normal credit term granted by the Group Companies ranges from 5 days to 45 days. For the year ended December 31, 2012 and 2011, in the consolidated financial statements, three subsidiary companies have the bad debt and allowance for doubtful debt (reversal) made at Baht 2.45 million and Baht (3.00) million respectively.

9. Inventories-net

(Unit : Baht)

<u>Consolidated financial statements</u>		
<u>As at December 31,</u>		
	<u>2012</u>	<u>2011</u>
Raw material	874,373,894	538,212,747
Work in process	89,478,547	63,981,506
Finished goods	31,546,439	42,636,458
Supplies	8,862,874	7,953,144
Goods in transit	239,447,134	71,863,375
Total	1,243,708,888	724,647,230
<u>Less</u> Allowance for the cost of goods exceeding net realizable value	(76,948,961)	-
Less Allowance for the loss from dilapidated raw material	-	(33,586,317)
Net	1,166,759,927	691,060,913

(Unit : Baht)

<u>For the year ended December 31,</u>		
	<u>2012</u>	<u>2011</u>
Cost of inventory record as expense and include in the cost of goods sold		
- Cost of goods sold	2,471,345,623	1,821,532,598
- Write down to net realizable value (Reversal)	76,948,961	(2,555,968)
Net	2,548,294,584	1,818,976,630

As at December 31, 2011, part of raw materials in the amount of Baht 96.22 million was damaged by fire incident at the warehouse of a subsidiary company, which has recognized the loss from such damage at Baht 33.59 million by considering the realizable value from the sale of the raw material. However, the subsidiary company has the insurance policy covering the damage of the raw materials in the warehouse. For the year ended December 31, 2012, the subsidiary company has sold all raw materials from fire incident and gain from such sale amount of Baht 7.70 million. The insurance company has already issued the totaling of compensation which the subsidiary company recognized to other income amount of Baht 25.89 million.

10. Real estate development cost

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Real estate ready for sale				
Land	31,461,852	31,461,852	31,461,852	31,461,852
Commercial units	2,028,715	7,790,297	-	5,761,581
Total	33,490,567	39,252,149	31,461,852	37,223,433
<u>Less</u> Allowance for the cost of goods				
exceeding net realizable value	(8,234,052)	-	(8,234,052)	-
Real estate ready for sale-net	25,256,515	39,252,149	23,227,800	37,223,433

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cost of inventory record as expense and include in the cost of goods sold				
- Cost of goods sold	5,761,581	14,320,763	5,761,581	10,225,332
- Written down value to net realizable value	8,234,052	-	8,234,052	-
Net	13,995,633	14,320,763	13,995,633	10,225,332

11. Other long-term investments-net

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
11.1 Investments in marketable securities available for sale	4,759,999	4,315,341	4,759,999	4,315,341
<u>Less</u> Revaluation of investment to fair value	(1,524,909)	(1,910,841)	(1,524,909)	(1,910,841)
Investments in marketable securities available for sales-net	3,235,090	2,404,500	3,235,090	2,404,500
11.2 Investment in debt instrument-held to maturity-Bond	761,094	1,511,094	318,616	318,616
<u>Less</u> Redemption of bonds	-	(750,000)	-	-
<u>Plus (less)</u> Accumulated amortization of (premium) discount on bonds	(10,111)	(4,565)	1,296	1,153
Total	750,983	756,529	319,912	319,769
<u>Less</u> Current portion	(431,071)	-	-	-
Net	319,912	756,529	319,912	319,769
Total Long-term investments-Net	3,555,002	3,161,029	3,555,002	2,724,269

As at December 31, 2012 and 2011, the whole amount of debt security-held to maturity was pledged as collateral for the use of electricity.

12. Investments in subsidiary companies

Company's name	(Unit : Baht)							
	Paid-up		Percentage of		Separate financial statements		Dividend	
	share capital		investments		Investment cost method		For the year	
	(Unit : Thousand Baht)				As at December 31,		ended December 31,	
	2012	2011	2012	2011	2012	2011	2012	2011
T S G Asset Co., Ltd.	50,000	50,000	79.78	79.78	40,611,143	40,611,143	-	-
T S Oil Industry Co., Ltd.	500,000	200,000	97.16	94.31	488,543,862	191,345,862	-	-
T S Flour Mill Public Co., Ltd.	285,000	200,000	69.34	98.82	197,794,784	197,794,784	98,816,550	-
T S Warehouse Co., Ltd.	12,500	12,500	64.13	64.13	10,073,145	10,073,145	-	-
T S Transport and Logistics Co., Ltd.	80,000	80,000	85.90	85.90	68,717,800	68,717,800	-	-
Total					805,740,734	508,542,734	98,816,550	-

During the year 2012, the Company additionally invested Baht 297.20 million in T S Oil Industry Co., Ltd., thus increasing its shareholding interest from 94.31% to 97.16%.

In accordance with the minutes of the extraordinary shareholders' meeting No. 1/2553 held on September 9, 2010, it resolved to approve the allocation of new shares of T S Flour Mills Public Company Limited ("TMILL"), a subsidiary of the Company, to shareholders of the Company's ordinary shares in proportion to their shareholdings (Pre-emptive right) in conformation with the resolution of the annual general meeting of shareholders No. 1/2553 held on April 29, 2010, that resolved to approve the issuance and initial public offering ("IPO") of not more than 85,000,000 new ordinary shares of TMILL at par value of Baht 1.00 per share, constituting not more than 29.82% of TMILL's paid-up capital after the IPO. Such IPO of TMILL will result in the reduction of the Company's sharing of profit or voting right in TMILL from 98.82% at present to 69.35% or a dilution effect of not more than 29.82%. This will impact the shareholders of the Company's ordinary shares, resulting in the reduction of profit sharing or voting right in the same proportion. Therefore, in order to alleviate such impact, the Company should offer the shareholders of the Company the opportunity to hold shares of TMILL by offering right to the subscription for the new shares of TMILL to all the shareholders of the Company according to their shareholding proportion (Pre-emptive right) in a total amount of not exceeding 25,350,970 shares or not exceeding 29.82% of the total new share offering of 85,000,000 shares for sale to the public. With the fixing of proportion in offering rights to subscribe for ordinary shares of TMILL's increased capital will reduce the impact of the dilution effect for the shareholders of the Company. TMILL's board of executive directors shall have the authority to set out conditions and other

details necessary for the rights offering to the shareholders of the Company to subscribe for the new TMILL shares, such as offering price, closing date of sale offer, other conditions and details in relation to new share appropriation as necessarily required. The board of directors' meeting No. 3/2555 held on March 15, 2012 gave a resolution to confirm the authorization for appropriation of increased share capital of TMILL to ordinary shareholders of the Company in proportion of shareholdings (per-emptive right).

On November 23, 2012, T S Flour Mills Public Company Limited has offered the 85 million increase ordinary shares to the general public at the par value of Baht 1.00 per share at the offering price of Baht 3.10 per share aggregating to Baht 253.09 million (net from cost of funding) and incurred premiums on share capital amounting to Baht 167.32 million but the Company does not purchase such increase ordinary shares; therefore the Company's shareholding ratio decreased from 98.82 % to 69.34% and in the consolidated financial statements incurred Baht 90.82 million surplus from the change of the shareholding ratio in the subsidiary company.

13. Investment properties-net

	Consolidated financial statements					(Unit : Baht)
	Land	Building and improvement	Machine and equipment	Work in construction	Total	
Cost :-						
As at January 1, 2011	27,140,768	81,591,503	90,956	245,582	109,068,809	
Purchase	-	1,035,611	-	-	1,035,611	
Transfer in	-	245,582	-	-	245,582	
Transfer out	-	-	-	(245,582)	(245,582)	
As at December 31, 2011	27,140,768	82,872,696	90,956	-	110,104,420	
Purchase	156,042,791	4,280,000	-	290,310	160,613,101	
Transfer in	140,586	-	-	-	140,586	
As at December 31, 2012	183,324,145	87,152,696	90,956	290,310	270,858,107	
Accumulated depreciation :-						
As at January 31, 2011	-	(27,808,688)	(66,099)	-	(27,874,787)	
Depreciation for the year	-	(1,489,964)	(5,393)	-	(1,495,357)	
As at December 31, 2011	-	(29,298,652)	(71,492)	-	(29,370,144)	
Depreciation for the year	-	(1,194,340)	(5,392)	-	(1,199,732)	
As at December 31, 2012	-	(30,492,992)	(76,884)	-	(30,569,876)	
Allowance for assets impairment :-						
As at December 31, 2011	(282,000)	-	-	-	(282,000)	
Decrease	282,000	-	-	-	282,000	
As at December 31, 2012	-	-	-	-	-	
Net book value :-						
As at December 31, 2011	26,858,768	53,574,044	19,464	-	80,452,276	
As at December 31, 2012	183,324,145	56,659,704	14,072	290,310	240,288,231	

(Unit : Baht)

Separate financial statement				
	Land	Building and improvement	Work in construction	Total
Cost :				
As at January 1, 2011	57,760,622	163,842,393	-	221,603,015
Purchase	-	2,340,817	-	2,340,817
As at December 31, 2011	57,760,622	166,183,210	-	223,943,832
Purchase	156,042,791	34,275,724	290,310	190,608,825
Transfer in	-	2,719,044	-	2,719,044
Disposal	-	(540,356)	-	(540,356)
As at December 31, 2012	213,803,413	202,637,622	290,310	416,731,345
Accumulated depreciation :				
As at January 1, 2011	-	(143,659,454)	-	(143,659,454)
Depreciation for the year	-	(4,279,783)	-	(4,279,783)
As at December 31, 2011	-	(147,939,237)	-	(147,939,237)
Depreciation for the year	-	(3,302,260)	-	(3,302,260)
Disposal	-	540,356	-	540,356
As at December 31, 2012	-	(150,701,141)	-	(150,701,141)
Net book value :				
As at December 31, 2011	57,760,622	18,243,973	-	76,004,595
As at December 31, 2012	213,803,413	51,936,481	290,310	266,030,204

For the year ended December 31, 2012 and 2011, investment properties caused rental income recognized in the statement of income being shown as in the consolidated financial statements of Baht 15.50 million and Baht 8.92 million respectively and in the separate financial statements of Baht 65.31 million and Baht 66.24 million respectively.

As at December 31, 2012, Fair value of Investment properties in the consolidated financial statements and in the separate financial statements of Baht 273.20 million and Baht 718.37 million respectively, the Group Companies arranged for the fair value of the investment property by utilizing the work of an independent appraiser, whom has been approved by the Office of Securities and Exchange Commission, using the income approach for the real estate available for rent and using the cost approach for the real estate without clear intention for its usage. In addition, the Group Companies have used work of an independent appraiser to revise the useful lives and the scrap values of investment property by applying the replacement cost method. The Group companies recorded the said changes by prospectively applied method, thus resulting in the decrease in depreciation charge in the consolidated and in the separate financial statements for the year ended December 31, 2012 by Baht 3.94 million and Baht 3.19 million respectively. The revised estimated useful lives of assets are as follows: -

	<u>Previous rate</u>	<u>New rate</u>
Building and building improvement	4 - 20 years	16 - 72 years
Machinery and equipment	5 years	38 years

As at December 31, 2012 and 2011, the Group Companies has the assets for rent with the book value stated in the consolidated financial statements of Baht 172.64 million and Baht 137.79 million respectively and in the separate financial statements of Baht 107.54 million and Baht 36.58 million respectively were pledged as collateral against credit facilities given by two commercial banks as detailed in the notes to financial statements No. 15.

As at December 31, 2012 and 2011, a subsidiary company' building improvements, building and work in construction of factory buildings amounting of Baht 6.36 million and Baht 6.73 million respectively, were constructed on the land lease from the Company when the contractual term expired or terminated, the lessee shall hand over the land together with the construction (if applicable) in the condition as is on the contractual term expiration date to the lessor, except the contractual parties have agreed otherwise regarding the construction on the leased land.

14. Property, plant and equipment-net

(Unit: Baht)

Consolidated financial statements								
	Land and land leasehold improvement	Building and construction	Roads	Ports	Machine and equipment	Motor vehicles	Work in construction and machine during installation	Total
Cost :								
As at January 1, 2011	97,176,726	532,814,767	30,817,064	45,388,696	893,461,882	38,207,854	24,083,352	1,661,950,341
Purchase	-	2,450,017	97,144	-	15,579,620	1,813,327	50,320,309	70,260,417
Transfer in	-	16,357,997	-	-	12,910,412	-	2,388,508	31,656,917
Disposal	-	-	-	-	(112,000)	(2,000,000)	-	(2,112,000)
Transfer out	-	-	-	-	(11,530)	-	(29,248,362)	(29,259,892)
As at December 31, 2011	97,176,726	551,622,781	30,914,208	45,388,696	921,828,384	38,021,181	47,543,807	1,732,495,783
Purchase	-	31,279,033	6,064,532	-	12,922,456	26,229,067	33,929,071	110,424,159
Transfer in	-	7,806,443	140,782	-	57,647,569	-	-	65,594,794
Disposal/Write off	-	(3,371,089)	-	-	(3,048,000)	(4,094,615)	(10,000)	(10,523,704)
Transfer out	(140,586)	-	-	-	(903,313)	-	(65,594,794)	(66,638,693)
As at December 31, 2012	97,036,140	587,337,168	37,119,522	45,388,696	988,447,096	60,155,633	15,868,084	1,831,352,339
Capital surplus from revaluation of assets								
As at January 1, 2011 and December 31, 2011	490,660,740	-	-	-	-	-	-	490,660,740
Increase	107,466,691	-	-	-	-	-	-	107,466,691
As at December 31, 2012	598,127,431	-	-	-	-	-	-	598,127,431
Accumulated depreciation :-								
As at January 1, 2011	(1,949,846)	(289,337,513)	(24,433,767)	(41,630,884)	(259,670,791)	(18,115,790)	-	(635,138,591)
Depreciation for the year	(75,073)	(14,044,358)	(1,340,959)	(1,148,245)	(36,500,911)	(3,694,308)	-	(56,803,854)
Disposal	-	-	-	-	84,813	1,487,383	-	1,572,196
As at December 31, 2011	(2,024,919)	(303,381,871)	(25,774,726)	(42,779,129)	(296,086,889)	(20,322,715)	-	(690,370,249)
Depreciation for the year	(75,073)	(12,336,161)	(2,025,446)	(448,632)	(46,890,255)	(4,846,947)	-	(66,622,514)
Disposal/Write off	-	3,100,978	132,905	-	2,803,484	4,303,143	-	10,340,510
As at December 31, 2012	(2,099,992)	(312,617,054)	(27,667,267)	(43,227,761)	(340,173,660)	(20,866,519)	-	(746,652,253)
Allowance for assets impairment :-								
As at December 31, 2011	-	(501,207)	-	-	-	-	-	(501,207)
Increase	-	(920,135)	-	-	-	-	-	(920,135)
As at December 31, 2012	-	(1,421,342)	-	-	-	-	-	(1,421,342)
Net book value :-								
As at December 31, 2011	585,812,547	247,739,703	5,139,482	2,609,567	625,741,495	17,698,466	47,543,807	1,532,285,067
As at December 31, 2012	693,063,579	273,298,772	9,452,255	2,160,935	648,273,436	39,289,114	15,868,084	1,681,406,175

(Unit: Baht)

Separate financial statements								
	Land and land leasehold improvement	Building and construction	Roads	Ports	Machine and equipment	Motor vehicles	Work in construction and machine during installation	Total
Cost :								
As at January 1, 2011	45,036,285	18,260,062	21,360,348	45,388,695	79,168,707	3,278,000	-	212,492,097
Purchase	-	-	97,145	-	1,061,034	-	3,350,726	4,508,905
Transfer in	-	-	-	-	-	-	-	-
Disposal/Write off	-	-	-	-	-	(2,000,000)	-	(2,000,000)
Transfer out	-	-	-	-	-	-	-	-
As at December 31, 2011	45,036,285	18,260,062	21,457,493	45,388,695	80,229,741	1,278,000	3,350,726	215,001,002
Purchase	-	464,258	6,032,532	-	882,313	23,043,447	1,574,150	31,996,700
Transfer in	-	-	140,782	-	-	-	-	140,782
Disposal/Write off	-	(2,830,733)	-	-	(2,000,000)	(650,000)	-	(5,480,733)
Transfer out	-	-	-	-	-	-	(2,859,826)	(2,859,826)
As at December 31, 2012	45,036,285	15,893,587	27,630,807	45,388,695	79,112,054	23,671,447	2,065,050	238,797,925
Capital surplus from revaluation of assets								
As at January 1, 2011 and December 31, 2011	232,612,815	-	-	-	-	-	-	232,612,815
Increase	48,685,721	-	-	-	-	-	-	48,685,721
As at December 31, 2012	281,298,536	-	-	-	-	-	-	281,298,536
Accumulated depreciation :-								
As at January 1, 2011	-	(12,504,557)	(20,561,677)	(41,630,885)	(77,874,839)	(1,830,505)	-	(154,402,463)
Depreciation for the year	-	(348,115)	(388,916)	(1,148,245)	(556,783)	(512,466)	-	(2,954,525)
Disposal/Write off	-	-	-	-	-	1,487,383	-	1,487,383
As at December 31, 2011	-	(12,852,672)	(20,950,593)	(42,779,130)	(78,431,622)	(855,588)	-	(155,869,605)
Depreciation for the year	-	(208,004)	(1,069,928)	(448,631)	(645,904)	(544,407)	-	(2,916,874)
Disposal	-	2,560,622	-	-	1,999,999	292,589	-	4,853,210
As at December 31, 2012	-	(10,500,054)	(22,020,521)	(43,227,761)	(77,077,527)	(1,107,406)	-	(153,933,269)
Allowance for assets impairment :-								
As at December 31, 2011	-	(501,207)	-	-	-	-	-	(501,207)
As at December 31, 2012	-	(501,207)	-	-	-	-	-	(501,207)
Net book value :-								
As at December 31, 2011	277,649,100	4,906,183	506,900	2,609,565	1,798,119	422,412	3,350,726	291,243,005
As at December 31, 2012	326,334,821	4,892,326	5,610,286	2,160,934	2,034,527	22,564,041	2,065,050	365,661,985

In 2012, the Group Companies have revised the useful lives and the scrap values of building and construction, machinery and equipments by utilizing the work of an independent appraiser, whom has been approved by the Office of Securities and Exchange Commission, by applying the replacement cost method for the appraisal of the assets to find the scrap values and the net remaining useful lives of the construction and machinery. The Group companies recorded the said changes by prospectively applied method, thus resulting in the decrease in depreciation charge in the consolidated and in the separate financial statements for the year ended December 31, 2012 by Baht 1.67 million and Baht 0.87 million respectively. The revised estimated useful lives of assets are as follows: -

	<u>Previous rate</u>	<u>New rate</u>
Building and Building improvement	15 - 30 years	5 - 70 years
Machinery and Equipment	5 - 30 years	5 - 20 years
Ports	5 years	45 years

In 2011, two subsidiary companies have revised the useful lives and the remaining value of building and construction, machinery and equipments (in some parts) and vehicles to better suit the current situation. A subsidiary company revised the estimated useful live by hiring an independent appraiser, whom has been approved by the Securities and Exchange Commission, by applying the cost method for the appraisal of the assets to find the remaining value and the net remaining useful life of the construction and machinery. Furthermore, the management of the said subsidiary company has revised the useful live and the scrap value of vehicles by applying the marketing price comparison method. Another subsidiary company has revised the estimated useful live and the scrap value when the useful live ended for the building and construction, machinery and equipments (in some parts) by using the information on the estimate prepared by the engineers of the subsidiary company.

From the said appraisal performed, the subsidiary companies have changed the estimated useful live of assets, which the subsidiary companies recorded the said changes by prospectively applied method thus resulted in the decrease in depreciation in the financial statements for the year ended December 31, 2011 by Baht 17.75 million. The revised estimated useful lives of assets are as follows: -

	<u>Previous rate</u>	<u>New rate</u>
- Building and Building improvement	4 - 30 years	15 - 30 years
- Machinery and Equipment	5 - 20 years	5 - 30 years
- Vehicle	5 years	7 - 20 years

As at December 31, 2012 and 2011, five subsidiary companies' building improvements, building and work in construction of factory buildings amounting of Baht 225.59 million and Baht 232.34 million respectively, were constructed on the land lease from the Company as mentioned in the notes to financial statements No. 5.2. When the contractual term expired or terminated, the lessee shall hand over the land together with the construction (if applicable) in the condition as is on the contractual term expiration date to the lessor, except the contractual parties have agreed otherwise regarding the construction on the leased land.

As at December 31, 2012 and 2011, buildings, equipment and vehicles as in the consolidated financial statements at cost values of Baht 192.60 million and Baht 207.61 million respectively and in the separate financial statements of Baht 153.13 million and Baht 202.15 million respectively, were fully depreciated but still in use.

As at December 31, 2012, the vehicles as in the consolidated financial statements at the book value amount of Baht 9.51 million and the separate financial statements of Baht 6.66 million, are assets under the long-term lease contracts as mentioned in the notes to the financial statements No. 19.

As at December 31, 2012 and 2011, the Group Companies has land, constructions and machines with the book value stated in the consolidated financial statements of Baht 823.41 million and Baht 899.22 million respectively and in the separate financial statements at the same amount of Baht 57.41 million for both years were pledged as collateral against credit facilities given by two commercial banks as detailed in the notes to financial statements No. 15.

For the years ended December 31, 2011, A subsidiary company have interest expenses incurred from the loans borrow for construction of factory and machine installation of Baht 0.13 million and, are included as the cost of asset.

15. Credit facilities and guarantee

As at December 31, 2012 and 2011, the Group Companies received the following credit facilities from two financial institutions; bank overdraft, short-term and long-term loans from the financial institution, trust receipts, letter of credit and forward exchange contracts as mentioned in the notes to financial statements No. 16 18 and 28.1. The credit facilities are guaranteed by the mortgage registration of land together with the warehouse building, factory plant building, machines, factory plant building in construction and machine during installation when their construction and installation are completed, the leasehold right of the land where the factories are located of the Company and the subsidiary companies as mentioned in the notes to financial statements Nos. 13 and 14. The guarantee included the fire insurance for the constructions and machines with the equipments at the maximum limit accepted by the insurance company and forfeit the benefit from the insurance to the bank as the beneficiary. The Group Companies jointly offer their guarantee. The other material terms of the credit facility agreements are :-

- The Company must maintain the debt to equity ratio in the consolidated financial statements to not exceeding 1:1 and two subsidiaries must maintain the debt to equity ratio in the financial statements to not exceeding 2.0 : 1 and the long-term debt to equity ratio to not exceeding 1.5 : 1.
- The Company must maintain the debt service coverage ratio at not less than 1.2 : 1 and two subsidiaries must maintain the debt service coverage ratio at not less than 1.2-1.5 : 1.

The Company had cancelled a guarantee letter in guaranteeing repayment of a subsidiary company for the line of Baht 1,365.00 million and the credited financial institution had informed that cancellation on September 28, 2012. In addition, the Company had cancelled the joint use of security in land and warehouse whose title right belongs to the Company by withdrawing the name of the subsidiary company as joint mortgager on November 7, 2012 and the subsidiary company had likewise asked for withdrawing guarantee contract for repayment of the Group for the line of Baht 855.00 million. As a result the creditor financial institution had informed the cancellation on November 1, 2012, withdrawing the joint security in factory building and all machines whom titles belong to the subsidiary company and releasing the Company's name as joint mortgager on November 7, 2012.

16. Short-term loans from financial institutions

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Loans in form of promissory notes	880,000,000	687,000,000	100,000,000	-
Trust Receipts	163,034,340	255,493,178	-	-
Total	1,043,034,340	942,493,178	100,000,000	-

As at December 31, 2012 and 2011, the Group Companies obtained loans from financial institutions in form of promissory notes with the terms range from 1 to 3 months from two commercial banks bearing the interest rates at 3.65%-4.10% per annum and 4.30%-4.53% per annum respectively.

As December 31, 2012 and 2011, in the consolidated financial statements, the entire amount of trust receipts are loans in Baht currency of two subsidiary companies with the terms ranging from 1 to 3 months and bearing the fixed interest rate basing on the financial market situation under conditions of the trust receipt agreement. The subsidiary companies would receive imported goods by using credit facility from financial institution, thus the subsidiary companies have obligation to that financial institution for the value of imported goods, both being stored or already sold.

The credit facilities in the form of promissory note and trust receipt have the collateral as mention in the notes to financial statements No. 15.

17. Trade and other accounts payable

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade accounts payable-Related parties	-	-	256,800	1,446,105
Trade accounts payable-Other parties	305,343,853	54,669,971	826,959	644,050
Total trade accounts payable	305,343,853	54,669,971	1,083,759	2,090,155
Other accounts payable	15,381,807	12,180,827	782,815	735,486
Payable for asset purchased	5,106,168	6,575,827	938,020	-
Accrued expenses	29,275,707	28,563,660	8,060,108	6,182,550
Deposit received	-	1,627,100	-	1,125,500
Retention	2,379,843	-	1,475,379	-
Prepaid received	1,578,609	770,955	27,000	-
Total other accounts payable	53,722,134	49,718,369	11,283,322	8,043,536
Total trade and other accounts payable	359,065,987	104,388,340	12,367,081	10,133,691

18. Long-term loans from financial institutions

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Loans from financial institution				
(1 st Credit line in Baht 190 million)	151,250,000	-	151,250,000	-
(2 nd Credit line in Baht 140 million)	-	60,000,000	-	-
(3 rd Credit line in Baht 200 million)	-	136,000,000	-	-
(4 th Credit line in Baht 50 million)	48,340,000	-	48,340,000	-
Total	199,590,000	196,000,000	199,590,000	-
<u>Less</u> Current portion of long-term loans	(57,460,000)	(80,000,000)	(57,460,000)	-
Net	142,130,000	116,000,000	142,130,000	-

The movements in loans for the year ended December 31, 2012 and 2011 is as follows :-

(Unit : Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Beginning book value	196,000,000	266,000,000	-	20,000,000
Increase in the year	225,000,000	-	225,000,000	-
Repaid in the year	(221,410,000)	(70,000,000)	(25,410,000)	(20,000,000)
Ending book value	199,590,000	196,000,000	199,590,000	-

As at December 31, 2012 and 2011, the Group Companies obtained loans from a financial institution. The credit facilities obtained can be classified into four credit lines with important covenants as follows :-

18.1 1st Credit line with Baht 190.00 million credit limit

- The principal must be repaid on six-monthly installments in total of 8 installments at Baht 23.75 million per installment on the last working day of June and December of each year. The first installment must be made in December 2012.
- The interest rate of MLR-2.00% per annum. The interest is payable at the end of each month.
- Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 15.

18.2 2nd Credit line with Baht 140.00 million credit limit

- The principal must be repaid on six-monthly installments in total of 7 installments at Baht 20.00 million per installment on the last working day of June and December of each year. The first installment must be made in June 2010.
- Interest rate is charged from the first date of loan withdrawal (May 27, 2010) to September 11, 2010 at the interest rate of MLR-1.25% per annum and from September 12, 2010 onwards the interest rate is charged at MLR-1.00% per annum. The interest is payable at the end of each month.
- Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 15.

18.3 3rd Credit line with Baht 200.00 million credit limit

- The principal must be repaid on quarterly installments in total of 20 installments at Baht 10.00 million per installment to be paid on the last working day of each quarter. The first installment must be made in January 2012.
- Interest rate for 1st and 2nd year is MLR-0.75% per annum, 3rd and 4th year is MLR-0.50% per annum, for the fourth year onward is MLR per annum. The interest is payable at the end of each month.
- Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 15.

In 2012, a subsidiary company made prepayment of loan received out of money from capital increase without any penalty fee for prepayment.

18.4 4th Credit line with Baht 50.00 million credit limit

- The principal must be repaid on monthly installments in total of 60 installments, of which the first installment until the 59 installment at Baht 0.83 million per installment and payment of all the rest for the final installment to be paid on the last working day of each month. The first installment must be made in November 2012.
- Interest rate is AMLR per annum. The interest is payable at the end of each month. (Interest rate of AMLR is the interest rate of MLR average of BBL, KTB, SCB and KBANK)
- Guaranteed by the collaterals and have other significant covenants under the contract as mentioned in the notes to financial statements No. 15.

19. Liabilities under long-term lease contract-net

Consisted of the minimum repayments under the long-term lease contracts as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Liabilities under long-term lease contract				
- Current portion	2,057,793	-	1,316,805	-
- Due in 1-5 years	8,748,995	-	6,261,011	-
Total liabilities under long-term lease contract	10,806,788	-	7,577,816	-
<u>Less</u> Future interest in payable for liabilities under long-term lease contract	(1,316,423)	-	(963,746)	-
Present value of long-term lease contract	9,490,365	-	6,614,070	-
<u>Less</u> Current portion of long-term liabilities	(1,634,869)	-	(1,037,159)	-
Liabilities under long-term lease contract-net	7,855,496	-	5,576,911	-

As at December 31, 2012, the Group Companies had entered into financial lease contracts with a leasing company for the contractual terms of 3-4 years, bearing the interest rates of 4.37-5.65 per annum. The ownership of the leased assets still vest with the lessor until the Company or subsidiary companies have met all the obligations as stipulated in the agreements.

20. Employee benefit obligations

The Group Companies operate a post employment benefit and pension based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on their entitlement and length of service.

Movement in the employee benefit obligations for the years ended December 31, 2012 and 2011 are as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Employee benefit obligations as at January 1,	26,392,279	23,524,135	15,010,160	13,327,357
<u>Less</u> Benefits paid by the plan	(677,484)	(1,480,658)	(416,250)	-
<u>Add</u> Current service cost and interest	2,385,633	4,348,802	1,193,322	1,682,803
Actuarial gains	(9,065,478)	-	(4,073,881)	-
Employee benefit obligations as at December 31,	19,034,950	26,392,279	11,713,351	15,010,160

Expenses recognized in statement of income for the year ended December 31, 2012 and 2011 are as follows :-

	(Unit : Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current service costs	1,677,781	2,781,584	751,370	574,440
Interest on obligations	707,852	1,567,218	441,952	1,108,363
Total	2,385,633	4,348,802	1,193,322	1,682,803

The said expenses are shown collectively under the following captions:

Cost of sales	778,967	405,456	408,758	574,440
Administrative expenses	1,606,666	3,943,346	784,564	1,108,363
Total	2,385,633	4,348,802	1,193,322	1,682,803

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

	<u>2012</u>	<u>2011</u>
Discount rate	3.49%-4.04%	4.50%
Salary increase rate	5.00%	5.00%
Employee turnover rate	Age band	2.00%
Retirement age	55 years old	55 years old

Assumptions on the future mortality rate hold to the publicly published statistic information. The discount rate is based on the interest rate of long-term government bonds which the maturity dates nearby maturity of the employee's remuneration debt.

21. Capital management

The primary objectives of the Group Companies capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt to equity ratio not exceeding the covenants of the loan agreements.

As at December 31, 2012 and 2011, in the consolidated financial statements, debt to equity ratio is 0.88 : 1.00 and 0.93 : 1.00 respectively and the separate financial statements, debt to equity ratio is 0.31 : 1.00 and 0.10 : 1.00 respectively.

22. Dividend paid and legal reserve

Dividend	Approved by	Dividend paid (Unit: Baht)	Dividend paid per share	Date of dividend payment
Payment announced from the profit of the year 2011	the Annual General Meeting of shareholder's meeting no.1/2555 held on April 26, 2012	31,679,993	Baht 0.24	May 25, 2012
Payment announced from the profit of the year 2010	the Annual General Meeting of shareholder's meeting no.1/2554 held on April 28, 2011	31,679,993	Baht 0.24	May 27, 2011

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

23. Administrative expenses

For the year ended December 31, 2012 and 2011, a portion of the administrative expenses amounting to Baht 10.79 million and Baht 10.30 million respectively in the consolidated financial statements and Baht 7.07 million and Baht 6.38 million respectively in the separate financial statements respectively are benefits paid to directors of the Company in accordance to Section 90 of Public Company Act which exclude salaries and related fringe benefits paid to the executive directors of the Company.

24. Natures of expense

(Unit : Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>		
	<u>For the year ended December 31,</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Salaries, wages and other benefits to employees	154,194,665	128,939,705	37,983,206	35,595,128
Raw material and supplies used	2,165,783,457	1,706,273,039	-	-
Purchased finished goods	123,379,651	44,011,365	-	-
Changes in finished goods and work in process	22,464,191	(38,827,656)	-	-
Real estate costs	5,761,581	14,320,763	5,761,581	10,225,332
Loss from raw-material damaged by fire	-	33,586,317	-	-
Depreciation	67,822,245	58,299,210	6,219,134	7,234,308
Transportation expenses	33,549,803	24,399,425	-	-
Operating expenses-warehouse	41,676,143	30,504,601	60,045,562	55,341,047
Public utility fee	47,218,234	36,505,509	5,684,374	5,421,544
Financial Cost	52,148,594	45,694,079	6,934,137	1,966,995
Other operating expenses	223,669,912	71,360,459	21,619,220	11,984,132
Total	2,937,668,476	2,155,066,816	144,247,214	127,768,486

25. Income tax expense

For the years ended December 31, 2012 and 2011, income tax of the Group Companies is calculated at 23% and 30% of profit for the years which not received an investment promotion after adding back adjusted entry to the Thai Revenue Code and calculated at 0% of profit for the years which received an investment promotion. The majority of the deduction and add back for the profit for the year 2012 in separate financial statements is deducting of dividend income not to be included as taxable income in amount of Baht 98.82 million.

26. Earnings per share

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For year ended December 31,</u>			
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit for the year (Unit : Baht)	117,156,095	127,955,527	194,142,635	68,742,237
Number of issued and paid-up ordinary shares				
(Unit : shares)	131,999,970	131,999,970	131,999,970	131,999,970
Basic earnings per share (Unit : Baht)	0.89	0.97	1.47	0.52

27. Financial information by sectoral

Details of the sectoral business operations in the consolidated financial statements for the year ended December 31, 2012 and 2011, are as follows:-

(Unit : Thousand Baht)

	Transportation and warehouse rental service		Residential condominium rental service		Palm oil distribution		Producer manufacturer & distributor of wheat flour and polypropylene bag		Real estate		Other business		Inter-transaction		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from sales	-	-	-	-	1,611,331	1,115,667	1,096,849	946,595	-	-	-	-	(10,701)	(9,412)	2,697,479	2,052,850
Revenue from services	366,114	302,256	9,101	8,248	79,566	-	-	-	-	-	11,223	55,046	(101,232)	(98,863)	364,772	266,687
Revenue from real estate activities	-	-	-	-	-	-	-	-	8,860	23,000	-	-	-	-	8,860	23,000
Profit from operation	215,891	166,110	4,344	2,280	(5,963)	55,402	168,997	166,313	3,098	8,679	1,567	20,243	(23,090)	(19,576)	364,844	399,451
Other income															48,459	19,964
Selling expenses															(53,273)	(27,818)
Administrative expenses															(125,979)	(138,469)
Financial cost															(52,149)	(45,694)
Income tax expenses															(52,023)	(68,636)
Net profit from operation															129,879	138,798
(Less) profit of non-controlling interests of the subsidiaries															(12,723)	(10,842)
Profit for the years															117,156	127,956
Assets used in operation as at December 31, :-																
Trade and other accounts receivable-net	15,181	26,005	357	272	138,339	170,176	136,309	109,678	-	-	-	278	(1,791)	(5,885)	288,395	300,524
Inventories-net	-	-	-	-	617,058	362,543	549,702	328,607	-	-	-	-	-	(89)	1,166,760	691,061
Real estate development cost	-	-	-	-	-	-	-	-	25,257	39,252	-	-	-	-	25,257	39,252
Investment properties-net	266,030	22,047	73,329	74,495	-	-	-	-	-	-	-	-	(99,071)	(16,090)	240,288	80,452
Property, plant and equipment-net :																
- Appropriate	358,405	607,743	178	188	483,014	481,851	407,004	424,215	-	-	210	1,108	410,938	9,633	1,659,749	1,524,738
- Central	21,657	7,547	-	-	-	-	-	-	-	-	-	-	-	-	21,657	7,547
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	155,477	117,206
Total assets															3,557,583	2,760,780

28. Commitments and contingent liabilities

28.1 The Group Companies have commitments and contingent liabilities as follows :-

(Unit : Thousand Baht)				
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Letters of guarantee (Utilized)	11,238	17,046	6,051	6,051
Letters of credit (Utilized)	509,842	50,944	-	-
Forward exchange contract (Utilized)	224,889	10,656	-	-
Letters of credit, trust receipt, short-term loan and forward exchange contract (Unutilized)	1,241,147	1,746,361	51,449	131,449
Long-term loans (Unutilized)	15,000	114,000	15,000	-

The above credit facilities are guaranteed by the collaterals as mentioned in the notes to financial statements No. 15.

28.2 The Group Companies entered into agreements of construction and decoration of new factory and construction agreements for every projects as follows :-

(Unit : Thousand Baht)				
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Contractual value	-	11,211	-	13,032
Remaining binding contractual value	-	1,538	-	642

28.3 The Group Companies have obligations in relation to future goods sale and purchase contracts still not yet delivered as follows: -

	<u>Consolidated financial statements</u>		
	<u>As at December 31,</u>		
	<u>Unit and currencies</u>	<u>2012</u>	<u>2011</u>
Future raw materials purchase contracts	'000 USD	384	9,703
Future goods sale contracts	Thousand Baht	114,989	9,068

28.4 The Group Companies have obligations in relation to operational lease contracts on the part of lessor which will initiate rental income in future for the interval periods as follows: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Within 1 year	2,002	6,370	23,451	27,315
More than 1-5 years	-	495	25,693	34,412
5 years onwards	-	-	123,550	127,411
Total	2,002	6,865	172,694	189,138

29. Financial instruments

Policy to manage financial risk

The Group Companies possess risk regarding to the change of market interest rate and in currency exchange rate and from nonperformance of contractual obligations by counter parties. The Group Companies will consider to use appropriate financial instruments when it considers necessary to manage such risks. However, Group Companies do not have any policy to hold or issue any financial instruments for speculation or for trading.

Risk on credit provision

The Group Companies obtain risk from credit provision in relation to trade accounts receivable mostly derived from sales and service of clients. However, the Group Companies hold the conservative policy in providing credit. Furthermore, the numbers of debtors of the Group Companies are several thus the Group Companies do not expected the material damage from debt collection.

Risk on interest rate

The Group Companies' risk on interest rates is derived from the change of the market interest rates in the future, which affect upon the Group Companies' operating result and cash flow. However, the Group Companies manage the interest rate risks by applying various instruments including the allocation of the investments at fixed and floating interest rates appropriately to suit the various activities of the Group Companies with the following details :-

(Unit : Baht)

Consolidated financial statementsAs at December 31, 2012

	Fixed interest rate		Floating	Non	Total
	Within	Interest rate	interest rate	interest bearing	
	1 year	to 5 years			
Financial assets					
Deposit at banks	-	-	99,114,473	37,815,289	136,929,762
Other long-term investments-government bonds	431,071	319,912	-	-	750,983
Trade and other accounts receivable	-	-	-	293,181,594	293,181,594
Total	431,071	319,912	99,114,473	330,996,883	430,862,339
Financial liabilities					
Short-term loans from financial institutions	335,861,057	-	707,173,283	-	1,043,034,340
Long-term loans from financial institutions	-	-	199,590,000	-	199,590,000
Trade and other accounts payable	-	-	-	325,831,828	325,831,828
Liabilities under long-term lease contracts	1,634,869	7,855,496	-	-	9,490,365
Total	337,495,926	7,855,496	906,763,283	325,831,828	1,577,946,533

(Unit : Baht)

Consolidated financial statementsAs at December 31, 2011

	Fixed interest rate		Floating	Non	Total
	Within	Interest rate	interest rate	interest bearing	
	1 year	to 5 years			
Financial assets					
Deposit at banks	-	-	99,554,775	2,397,422	101,952,197
Other long-term investments-government bonds	256,888	499,641	-	-	756,529
Trade and other accounts receivable	-	-	-	300,688,695	300,688,695
Total	256,888	499,641	99,554,775	303,086,117	403,397,421
Financial liabilities					
Short-term loans from financial institutions	505,493,178	-	437,000,000	-	942,493,178
Long-term loans from financial institutions	-	-	196,000,000	-	196,000,000
Trade and other accounts payable	-	-	-	73,426,625	73,426,625
Total	505,493,178	-	633,000,000	73,426,625	1,211,919,803

Risk on exchange rate

Regarding risk on exchange rates of the Group Companies, mainly involves with purchase of raw materials under the foreign currencies, a subsidiary company obtained liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows :-

<u>Unit and currencies</u>	<u>Consolidated financial statements</u>	
	<u>Liabilities</u>	
	<u>As at December 31,</u>	
	<u>2012</u>	<u>2011</u>
'000 USD	474	121

As at December 31, 2012 and 2011, a subsidiary conducted a forward exchange contract with a commercial bank to hedge against exchange rate risk from debt repayment denominated in foreign currency. The subsidiary company has not recorded such financial liability in the financial statements. The due date for payment of the forward contract already committed has outstanding period of not greater than 6 months with the following details:-

		<u>Consolidated financial statements</u>	
		<u>As at December 31,</u>	
	<u>Unit and currencies</u>	<u>2012</u>	<u>2011</u>
Amount fixed in contract	'000 USD	7,309	340
Amount earned in contract	Thousand Baht	224,889	10,656
Fair value under the forward contract	Thousand Baht	224,470	10,766

Fair Value

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

30. Provident fund

The Group Companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group Companies and their employees contributed to the fund monthly at the rates depending on the working life of the employees. A local financial institution is managing the provident fund and will be paid to the employees upon termination in accordance with the fund rules. For the years ended December 31, 2012 and 2011, in the consolidated financial statements, the Group Companies contributions amounted to approximately Baht 0.99 million and Baht 0.86 million respectively.

31. Approval of financial statements

These financial statements have been approved for issuance by THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED's authorized directors on February 22, 2013.
