

Part 1

Business Profile

1. Overview of Business Operation and Policy

1.1 Business Objectives

Corporate Philosophy

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

Vision

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

Mission

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

1.2 History and Milestones

Kaset Thai International Sugar Corporation Public Company Limited ("the Company"), formerly known as Kaset Thai Sugar Industry Company Limited, and companies in KTIS group are founded by Mr. Jaroon and Mrs. Hathai Siriviriyakul. With more than 50 years of professional experience in sugar business, KTIS group has extended into integrated sugar production business.

In 2013, the Company has converted into a public limited company and increased its registered capital from Baht 3,274,573,000 to Baht 3,888,000,000. In 2014, the Company has been listed on the Stock Exchange of Thailand which Baht 3,860,000,000 has been paid up and the security symbol "KTIS" on the Stock Exchange of Thailand. In 2015, the Company has increased its registered capital to Baht 3,888,000,010 and paid up capital Baht 3,860,000,010.

At the beginning, the group's sugar business was limited only to a sugar distribution in Nakhonsawan province. In 1967, Mr. Jaroon Siriviriyakul and a group of local distributors in Nakhonsawan province jointly acquired Mahakun Industry Company Limited, which has a sugar factory with the production capacity of 500

tons per day as a core asset, and renamed the company "Ruampol Enterprise Company Limited ("RPE"). With continuous improvement and development, the company's crushing capacity has increased from 500 tons of cane per day to 15,000 tons of cane per day.

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

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

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

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

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

In 2011, the Siriviriyakul family furthered the advancement by recycling filter cake from sugar production process and vinasse from the biogas and ethanol production process into soil conditioner and organic fertilizer products. Kaset Thai Bio Fertilizer Company Limited ("KTBF") was established as a wholly-owned subsidiary of EPC in order to expand its integrated sugar business. KTBF has commercially operated and has the production capacity 15,000 tonnes of powder per year, 6,150 tons of pellets per year and 200,000 m³ of water per year.

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

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

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

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

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

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

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

1.3 Business Overview

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

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

1. Sugar Production and Distribution Business

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

2. Downstream Business

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

(1) Bleached Bagasse Pulp Production and Distribution Business

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

(2) Ethanol Production and Distribution Business

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

(3) Electricity Generation and Sale Business

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

(4) Bio fertilizer Production and Distribution Business

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

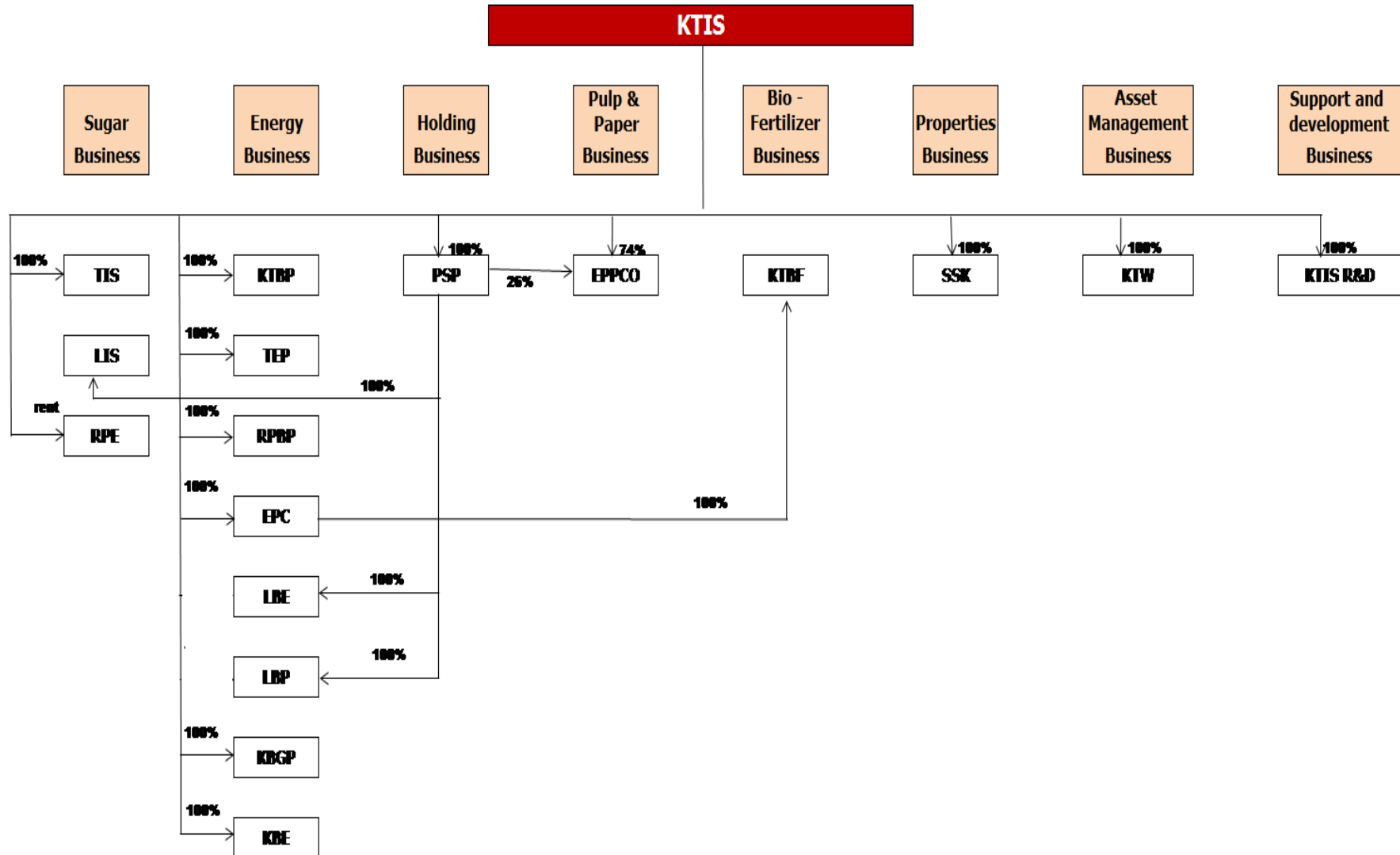
Presently, the Company had invested in 16 subsidiaries and leases fixed assets from Ruampol Enterprise Co., Ltd.(RPE) as detailed following :

Subsidiary	Type of Business	Shareholding (%)
Thai Identity Sugar Factory Co., Ltd.(TIS)	Sugar production and distribution to domestic and international markets	100.0
Ekarat Pattana Co., Ltd. (EPC)	Molasses-based ethanol production and distribution to domestic and international markets	100.0

Subsidiary	Type of Business	Shareholding (%)
Environment Pulp and Paper Co., Ltd.(EPPCO)	Production and distribution of bleached bagasse pulp to domestic and international markets	100.0 ¹
Kaset Thai Bio Power Co., Ltd. (KTBP)	Electricity generation	100.0
Permsinpattana Co., Ltd.(PSP)	A holding company which holds 26.0% shares of EPPCO	100.0
Kaset Thai Bio Fertilizer Co., Ltd.(KTBF)	Production and distribution of bio fertilizer	100.0 through EPC
Thaiekaluck Power Co., Ltd.(TEP)	Electricity generation	100.0
Sapsirikaset Co., Ltd.(SSK)	Land acquisition to support the group's business expansion	100.0
Ruampol Bio Power Co., Ltd.(RPBP)	Electricity generation	100.0
Lopburi International Sugar Co., Ltd.(LIS)	Sugar production and distribution (under consideration)	100.0 through PSP
Lopburi Bioethanol Co., Ltd.(LBE)	Ethanol production and distribution (under consideration)	100.0 through PSP
Lopburi Biopower Co., Ltd.(LBP)	Electricity generation and sale (under consideration)	100.00 through PSP
KTIS Biogas Power Co., Ltd.(KBGP)	Electricity generation and sale (under consideration)	100.0
KTIS Bio Energy Co., Ltd.(KBE)	Ethanol production and distribution (under consideration)	100.0
Kaset Thai Wiwat Co., Ltd. ("KTW")	Support company's asset management	100.0
KTIS Research and Development Co., Ltd. ("KTIS R&D")	Support company's businesses and its growth aspiration.	100.0

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

Diagram1 : Corporate Business Structure



2.Nature of Business

2.1 Revenue Structure

In 2015, Sugar and molasses revenue was 77.8% of the total revenue, another 22.2% of the total revenue was from downstream businesses such as pulp paper, electricity and ethanol etc. Details for 3 years were as follows :

	2013		2014		2015	
	Revenue (MB)	Percentage	Revenue (MB)	Percentage	Revenue (MB)	Percentage
1. Sugar and molasses sales revenue						
Domestic	5,701.5	31.6	5,902.5	29.4	6,404.8	33.1
International	8,525.1	47.2	9,741.9	48.4	8,713.5	45.1
Benefit from production and distribution of sugar	-	-	-	-	222.4	1.2
Total sugar and molasses sales revenue	14,226.6	78.8	15,644.3	77.8	15,340.6	79.4
2. Pulp sales revenue						
Domestic	319.6	1.8	424.2	2.1	323.8	1.7
International	1,176.0	6.5	1,174.0	5.8	981.7	5.1
Total pulp sales revenue	1,495.6	8.3	1,598.2	7.9	1,305.5	6.8
3. Ethanol sales revenue						
Domestic	1,433.1	7.9	1,736.4	8.6	1,638.6	8.5
International	112.3	0.6	0.00	0	0.0	0.0
Total ethanol sales revenue	1,545.4	8.6	1,740.3	8.6	1,638.6	8.5
4. Other sales revenue						
Electricity sales revenue	263.6	1.5	616.0	3.1	538.3	2.8
Revenue from other sales and services	520.5	2.9	525.2	2.6	505.2	2.6
Total other sales revenue	784.1	4.3	1,137.2	5.7	1,043.6	5.4
Total revenue	18,051.7	100.0	20,120.1	100.0	19,328.2	100.0

Source: The Company's financial statements.

2.2 Business Goals

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

Business Goals :

- (1) Leader of Cane Business - The Company initiated a wide range of activities with an aim of developing the upstream businesses. Such activities include the cane breeding selection, the application of cane plantation management technology, the technical training for cane farmers, the development of farming tools and machineries, the use of soil conditioner which is a by-product, and the use of cane leave as biomass feedstock, which altogether lead to the strengthen in security of supplies used in the production process.
- (2) Leader of Sugar Business – The Company has consistently invested in the sugar production business. Thanks to its massive production capacity, the Company commercially benefits from the economies of scale driven by its production effectiveness, lower costs of energy, and added value of products. Raw sugar is processed into high quality refined sugar and liquid sucrose for the food industry. This is an example of how the Company adds value to its products and reflect the Company's leadership in the sugar industry.
- (3) Leader of Bio Energy Business – With the expansion of its biomass power plant business, the Company has a large-scale electricity production capacity and earned extra income from its power generation business. Bagasse, which is a by-product of the sugar production process, and cane leaves supplied by cane farmers are used as biomass feedstock, complementing the integrated value chain of our industrial and agricultural businesses.
- (4) Leader of Bio Product Business – The Company has allocated investment to the development of bagasse pulp products into high-quality and food-grade packages to add value to the Company's business and the society at large.
- (5) Leadership of Ethanol Business – For value-added creation, the Company uses molasses to produce fuel-grade and industrial-grade ethanol; and enhances its ethanol production process to effectively generate and make use of bio gas which is a by-product from the ethanol production. As a result, the Company's production and business chains are fully integrated and eco-friendly at every step, and contributes to the Company's leadership in this business.
- (6) Leadership in Soil Conditioner Business – By-products from the sugar and ethanol production processes are developed into soil conditioners to create added value. Using the soil conditioners enriches the soil quality, the farmers can save farming costs and increase the productivity effectively.

Journey to Sustainable Growth :

- (1) Research and Development – The Company has invested in research and development initiatives, focusing on the cane breed improvement, and the development of energy crops, production technologies and machinery to sustain its growth momentum and leadership in the business complex through the diversification of products in consistent with the word "More Than Sugar". The company's portfolio includes the cane business, agricultural business, sugar and sweetener manufacturing business, biomass power business, and biomass product business.
- (2) Development of Cane Farmers, Cane Farmer Network, and Raw Material Source - The Company has substantially invested in technical and R&D projects with a view to enhance the knowledge of cane farmers and the members of farmer network. In addition, the Company extended financial support to cane farmers to boost productivity in terms of the cane output per rai and the plantation area expansion. In addition to creating greater job opportunities for agricultural workers, the Company has also introduced and integrated advanced farming technologies to develop agriculture to new horizon. Farmers are encouraged to work as partners who help each other.

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

Journey to Professional Integrity and Corporate Governance :

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

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

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

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

2.3 Nature of Business

Sugar : Production and Distribution Business

The capacity of the Company's sugar factories is approximately 88,000 tons of cane per day. The Company produces and sales sugar to domestic and international customers. The products can be

categorized into 3 types: refined sugar, white sugar, and raw sugar.

(1) Raw Sugar

Raw sugar crystals are dark brown in color and the color index of raw sugar ranges from 1,001- 3,800 ICUMSA¹. This type of sugar must be purified and processed into white sugar or refined sugar and cannot be consumed directly.

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

(2) White Sugar

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

(3) Refined Sugar

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

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

Product	Color (ICUMSA)	Polarization² (%)	Moisture (%)
J-Spec Raw Sugar	1001 - 3800	96.00 – 97.99	Not exceeding 0.6
Raw Sugar	1001 - 3800	Not less than 98.00	Not exceeding 0.6
White Sugar	46 - 1000	Not less than 99.50	Not exceeding 0.04
Refined Sugar	0 - 45	Not less than 99.80	Not exceeding 0.04

Source: KTIS.

Sugar : Market Conditions and Competition

(1) Global Market Conditions

Sugar is one of the most important commodities in the world. Major sugar producers are Brazil, India, European Union, Thailand and China. Asia is the continent that records the highest sugar output, accounting for 36.7% of the global output in the production year 2014/2015. Thailand is the world's 4th largest sugar producer but the domestic sugar consumption rate of Thailand is relatively small for its

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

production. As a result, Thailand can export sugar in large quantity, being the 2nd largest sugar exporting country in the world.

Major Changes in Global Sugar Market in Past Decade

1) Sugar Trade Liberalization in Brazil

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

2) Lower Sugar Production in EU Countries

In 2004, the World Trade Organization (WTO) ruled that EU's sugar subsidies violated the General Agreement on Tariffs and Trade (GATT) and thus cut its support for EU's sugar production. Therefore, the refined sugar exports of EU under WTO's quota reduced from approximately 6.0 million tons per year to approximately 1.7 million tons per year. From 2017, EU will abandon the regulation which had been limiting their sugar production and expected to resume exports.

3) Asian Economic Growth

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

4) Higher Investment in Commodity Markets by Funds and Speculators

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

5) Sugar Demand and Supply

In 2014/2015, the global sugar output was forecast at approximately 185.2 million tons, increasing from 183.3 million tons while the consumption was expected to increase to approximately 178.1 million tons, 1.9% higher than the previous year's consumption of 174.7 million tons. The sugar supply surplus which has persisted for 5 consecutive years in the global market put pressure on sugar prices. Due to the downward price trends, cane farmers have switched to other crops and the sugar production in certain countries have declined. Thus, the global sugar output is forecast to decline to 175.6 million tons while the consumption should continue to grow to 180.0 million tons. The world supply/demand is expected to be deficit.

In 2015/16, Asia is the biggest sugar producer and recorded the output of approximately 67.9 million tons in the production year 2014/2015, accounting for 36.7% of the global

sugar output, followed by South America which produced approximately 46.4 million tons or 25.1% of the global sugar output.

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

In the production year 2014/2015, Thailand produced 11.30 million tons of sugar while the domestic demand was only 2.5 million tons, leading to the excess of 8.80 million tons for export. Domestic sugar prices are controlled by the Ministry of Commerce according to the annual notification of the Central Committee on Goods and Services Prices regarding the sugar pricing and selling conditions.

In the production year 2014/2015, Thailand have 50 sugar mill and recorded the total sugar output of 11.30 million tons as shown below:

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

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

Sugar : Competitive Strategy

(1) Security of Raw Material Supply

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

(2) Production Efficiency and Cost Reduction

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

(3) Mitigation of Impact of Natural Disasters

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

(4) Development of Value-Added Products

The Company strives to convert byproducts and waste into value-added products in order to increase the value for our shareholders and minimize waste from the sugar production processes. Under the visionary leadership of our management team, we aim to create an eco-friendly supply chain through the application of clean and eco-friendly technologies.

The Company has collaborated with Sumitomo Corporation Co., Ltd., our strategic partner and investor, and other world-class organization in continuously adding value to core products and byproducts.

Sugar : Distribution Channel

(1) Industrial Customers

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

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

Source: KTIS

¹ Consolidated sales of the following 3 sugar factories:

1. Sugar factory operated by Kaset Thai International Sugar Corporation Pcl. (KTIS)
2. Sugar factory operated by Thai Identity Sugar Co., Ltd. (TIS)
3. Sugar factory which KTIS has leased from Ruampol Enterprise Co., Ltd. (RPE) under a long-term lease agreement

(2) Distributors

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

(3) Overseas Customers

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

Bleached Bagasse Pulp : Production and Distribution Business

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

(1) Dry Pulp

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

(2) Wet Pulp

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

Bleached Bagasse Pulp : Market Conditions and Competition

(1) Global Market

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

1) Selling Price of Pulp in November 2015

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

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

2) 2016 Global Market Outlook

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

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

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

(2) Bleached Bagasse Pulp : Domestic Market

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

1) Production

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

- In Q3/2015 QOQ-wise, the production indices of the pulp, cardboard and craft paper products rose 12.45%, 3.37% and 1.42% respectively as a result of the seasonal demand surge during (Unofficial Translation)Certification of information accuracy.....| Part 1 Page 17

Christmas and New Year. On the contrary, the production index of printing and writing paper decreased 1.77% amid the growing paperless trend and the declining popularity of printed media. The production index of the craft paper also lowered by 1.47% due to the excessive inventory on hand remaining from the previous quarter.

- In Q3/2015, there were 14 paper packaging production plants applied for the license to establish factories and 2 plants for expanding their capacity while there were 9 plants closed operation, reflecting the rising demand for paper packaging. As regards the printing plants, there were 8 new printing plants and 5 plants expanded while 6 plants closed down. Most of the printing business operators are of small to medium size which are suitable for the current business landscape as the small-lot production from SMEs is on rise, and as to reduce the risk of business failure.

2) Export

- Pulp – In Q3/2015, the export value was USD 47.11 million, increasing 11.40% YOY and 14.48% QOQ, in tandem with the production increase. This growth was driven by the higher pulp demands from the USA and Europe, especially from the paper manufacturers plants owned by Thai company in France.
- Paper and paper products – In Q3/2015, the export value was USD 399.78 million, decreasing 4.71% YOY and 4.46% QOQ, due to the lower volume of export to major Asian markets, such as Vietnam, Indonesia and South Korea, caused by the economic slowdown.
- Books and printing materials – In Q3/2015, the export value was USD 16.24 million, down 25.06% YOY, due to subdued demand from overseas countries such as USA, England, Indonesia, Japan and Singapore. The export volume and value of brochures, pamphlets, picture books, drawing or coloring books for children, graphic prints and photos decreased partly due to the growing popularity of digital media over hard copies. However, the volume was 7.91% higher than the level recorded in Q2/2015. Products which grew in export volume were brochures, pamphlets and magazines, as the year-end festive season was approaching, including cheque books and inventory sheets to Vietnam.

3) Import

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

4) Relevant Government Policies

The digital economy policy will transform Thailand's communication, manufacturing, business activities, consumption, and social and economic activities through the development of information and communication technology infrastructure and stimulated by the government's integrated digital ecosystem initiative. These developments will change the competition from price preferential to value added and service innovation for the highest level of customer satisfaction. Printing business entrepreneurs will have to adjust themselves and move towards creative printing business, integrating technologies with printing.

The Ministry of Finance is considering the Thai Pulps and Paper Industries Association's petition for the adjustment of the export duty on the eucalyptus, which is currently 0%, to more appropriate rate to promote fair competition and to prevent and solve the shortage of eucalyptus, which is used in the pulp production. As there were some buyers paid eucalyptus at higher price and sold to eucalyptus pulp factory for producing and exporting pulp to Japan.

5) Overview and Outlook

- As regards the pulp and paper production, the production indices of the pulp, cardboard and craft paper products increased YOY on the back of the rising domestic demand for paper packaging products from the downstream businesses which was driven by the Thai government's stimulus programs. The production indices of corrugated paper and printing and writing paper declined following the weaker demand for packages for export from downstream businesses in tandem with the slowing global economy. Nonetheless, QOQ-wise, the production indices of the pulp, cardboard and craft paper products rose as a result of the seasonal demand surge during Christmas and New Year. On the contrary, the production index of printing and writing paper decreased amid the growing paperless trend and the declining popularity of printed media. The production index of the craft paper also lowered due to the excessive inventory on hand remaining from the previous quarter.

- The export volume of pulp increased YOY and QOQ in tandem with the production increase, especially the export to the Thai paper manufacturers in France. The export volume of paper and paper products declined YOY and QOQ due to the lower volume of export to major Asian markets, such as Vietnam, Indonesia and South Korea, caused by the economic slowdown. The export volume of books and printing materials dropped YOY partly due to the growing popularity of digital media over hard copies. However, the QOQ export performance improved, driven by seasonal demand at the year-end.

- The import volume of pulp and paper scrap increased YOY and QOQ, primarily from the import of long fiber pinewoods from Europe to produce paper and paper products. The import volume of paper and paper products slowed down YOY and QOQ partly due to the availability and sufficiency of domestic supplies. As for the printing materials, the import volume decreased YOY as a result of the growing popularity of digital media over printed media, but increased QOQ on the back of stronger needs for graphic prints and photos as there were numerous concerts by internationally-renowned artists in Thailand.

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

(3) Bagasse Market Condition in 2015

Despite the feeble economic recovery and economic slowdown in certain counties, the demand for bagasse in domestic and international markets remained positive. Nonetheless, several manufacturers have increased their use of eucalyptus short fiber pulp which was cheaper than bagasse due to the dramatic price decline of short fiber pulp caused by global oversupply. Bagasse continues to see strong and consistent demand from eco-friendly package manufacturers as bagasse is a primary raw material for green products which also include printing and writing paper and sanitary paper.

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

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

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

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

Bleached Bagasse Pulp : Competitive Strategy

(1) Reliable Raw Material Source

EPPCO has a strong raw material security as its bagasse supply is primarily provided by the Company and factories in KTIS group which altogether record the cane-crushing capacity of more than 10,000,000 tons of cane per year. This enables EPPCO to effectively plan its bagasse-based production in advance.

With the raw material security, EPPCO can provide its clients with reasonable assurance of EPPCO's ability to satisfy their demand.

(2) Low Cost of Raw Materials

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

(3) Environmental Friendliness

Bleached bagasse pulp of EPPCO is virgin pulp which is made from bagasse and thus is environmentally friendly. The increasing environmental awareness has led to the rise in demand for EPPCO's eco-

friendly products. EPPCO's bleached bagasse pulp factory is the first pulping factory that is awarded the ISO 22000 food safety accreditation and the GMP&HACCP certification from SGS (Thailand) Co., Ltd. which guarantee that its products are safe for consumption and can be used as raw material for food packaging production.

Bleached Bagasse Pulp : Distribution Channel

(1) Domestic Distribution

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

(2) Overseas Customers

Generally, distribution of bleached bagasse pulp to international markets is made through brokers under spot contracts and the prevailing market conditions and price movement are taken into consideration. Our sales through spot contracts comprise approximately 90.0% of our total export sales while the remaining 10.0% is under long-term contracts. To mitigate associated risks, our selection of brokers is based on their ability to penetrate markets which have strong pulp demands and their credibility. EPPCO's management team has implemented proactive marketing activities such as participation in trade expos to attract new customers. Sales through brokers enable EPPCO to determine the price and quantity of the product it intends to sell at its discretion, without having to negotiate with the end customers. EPPCO's revenue is primarily from international sales which accounted for approximately 70-78% of its total revenue during the year. EPPCO's brokers include leading international companies such as Marubeni Corporation, OG Corporation, Beijing China Base Star Paper Co., Ltd. and Inter fiber Asia Pte. Ltd.

Ethanol : Production and Distribution Business

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

Ethanol : Market Conditions and Competition

(1) Global Market Conditions

The ethanol prices in the USA and Brazil fell 23.1% and 35.0% YOY respectively in tandem with the plunge of oil price and production costs. It is likely that the ethanol price will slightly increase in positive correlation with the sugar price. Even though Brazil, which is the world's major ethanol (Unofficial Translation)Certification of information accuracy.....| Part 1 Page 21

exporter possibly decelerate its sugarcane ethanol production, because of the low crude oil price, and the price is expected to range from USD 0.40 – 0.55 per liter.

(Source: Thai Ethanol Price Movement Update for Q3/2015, Bank of Thailand)

Ethanol : Domestic Market Conditions

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

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

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

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

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

Source : Department of Alternative Energy Development and Efficiency

Ethanol : Competitive Strategy**(1) Product Variety**

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

(2) Reliable Product Delivery

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

(3) Product Quality

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

(4) Marketing Strategy

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

Ethanol : Distribution Channel**(1) Domestic Customers**

EPC produces ethanol with 99.5% purity for domestic oil dealers to use for blending as biofuels to support the government's policy to promote the consumption of alternative energy and the reduction of imported fuels and crude oil. EPC's major customers, defined as "traders" under Section 7², are PTT Pcl., Thai Oil Pcl. and Bangchak Petroleum Pcl. As of 31 December 2015, revenue from domestic sales of fuel alcohol accounted for 100% of the total annual revenue from ethanol sales.

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

(2) Overseas Customers

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

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

Electricity Generation and Distribution Business

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

Market and Competition – Electricity Business:

(1) Domestic Market and Industry

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

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

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

- 1) Energy security – Thailand must have a secure supply of electricity that is sufficient for the demand growth under the National Economic and Social Development Plan, including the economic growth, population growth, urban sprawl, and fuel diversification.
- 2) Economy – The electricity production costs must be appropriate and acceptable for the general consumers and industrial consumers as electricity is a major infrastructure for Thailand's long-term economic

growth and social prosperity. Energy efficiency across different sectors will contribute to Thailand's lesser need for new power plants and fuel imports.

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

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

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

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

(2) Domestic Electricity Use

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

(3) Domestic Electricity Generation Capacity

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

1) By Type of Power Plant

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

2) By Producer

EGAT	15,482 MW	41.2%
Independent Power Producer (IPP)	13,167 MW	35.0%
Small Power Producer (SPP)	4,530 MW	22.5%
Very Small Power Producer (VSPP)	2,029 MW	5.4%

Electricity Import

2,404 MW

6.4%

Total
37,612 MW

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

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

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

Alternative Energy Development Plan (AEDP) 2036

Unit: MW

Year	Solar power	Wind power	Hydropower	Waste	Biomass	Biogas	Energy Crop	Total
2014	1,298.5	224.5	3,048.4	65.7	2,541.8	311.5	-	7,490.4 ^{1/}
2036	6,000.0	3,002.0	3,282.4	500.0	5,570.0	600.0	680.0	19,634.4 ^{1/}

Remark: ^{1/} indicates installed capacity.

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

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

Competitive Strategy – Electricity:

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

Distribution Channel – Electricity Business:

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

Bio Fertilizer Business

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

Market and Competition – Bio Fertilizer:

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

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

Competitive Strategy - Bio Fertilizer

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

Distribution Channel - Bio Fertilizer

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

3. Risk Factors

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

3.1 Material Risk Factors

World Sugar Price Volatility :

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

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

The price volatility in the global market, to a certain extent, has impact on the Company's overall sales performance, particularly export sales. As the domestic sugar price is controlled by the Ministry of Commerce, the Company's domestic sales performance is not affected by the global price. The Company's export volume, which varies with the sugar cane supply and domestic consumption levels, generally accounts for at least 60% of the total sales; and thus the Company's total sales performance is at least 60% sensitive to the world sugar price.

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

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

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

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

International Trade Barrier :

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

At present, sugar export sales account for more than 60% of the Company's total sales and our major market is Japan. Therefore, the Company is sensitive to changes in trade barriers of importing countries, especially in Japan, as the changes may adversely affect the Company's competitiveness and sugar prices in export markets.

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

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

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

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

1. To call for Thailand's accession to the TPP agreement through the Thai Sugar and Bio Energy Producers Association, the 3 sugar associations, and the Sugar Cluster under the Federation of Thai Industries.
2. To collaborate with Sumitomo Corporation, the Company's major shareholder and strategic partner, in analyzing and determining approaches to handle and mitigate the impact in the way that will best benefit the Company.

Sugar Cane Supply Adequacy and Quality :

In 2015, the drought crisis in Thailand was more severe than in the previous year. The level of

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

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

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

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

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

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

To mitigate the said risk, the Company began to stretch its productivity both vertically and horizontally to increase the cane output per rai and expand the plantation areas. Also, the Company has been seeking

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

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

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

Foreign exchange risk :

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

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

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

4. Assets for Business Operations

4.1 Core Operating Assets of the company and its subsidiaries

As of December 31, 2015, the company and its subsidiaries have core operating assets, as followings:

Items	Net Book Value (THB Million)	Ownership	Encumbrance
1.Land and land improvement 8,170 rai 0 Ngan 79.37 square wah.	217.93	owner	Some in Loan Collateral
2.Building and buildings improvements	1,260.08	owner	Some in Loan Collateral
3.Machinery and tooling	5,460.72	owner	Some in Loan Collateral
4.Agricultural equipment and tooling	157.50	owner	Some in Loan Collateral
5.Furniture, fixtures and office equipment	44.26	owner	Some in Loan Collateral
6.Motor vehicles	512.68	owner	Some in Loan Collateral
7.Assets under installation	3,692.45	owner	Some in Loan Collateral
Total	11,345.66		

Intangible assets

Asset	Objective
Computer software	Computer program for work, which includes accounting software program, farmland record and sugar production, etc.

Trademarks

Trademark	Objective	Registration Date
	For refined sugar, sugar and raw sugar.	27 February 2013

Promotion privileges

By virtue of provisions of the Industrial Investment Promotion act of B.E. 2520, the three subsidiaries

were granted privileges by the Board of Investment which included exemption from payment of income tax for certain operations for a period of eight years from the date on which the incomes is first derived from such operation. The details of each privilege are as follows:

Certificate	Privilege section	Date	Nature of privilege business	First derived income date	Expiry date
1276/Or/2546	25 26 28 30 31 34 35(2) 35(3) 35(4) 36(1) 36(2) 36(4) and 37	5 Jun 2003	- Paper manufacturing	14 Oct 2004	13 Oct 2012
1826(2)/2547	25 26 28 31 34 35(3) and 37	27 Sep 2004	- Manufacturing ethanol - Manufacturing pure alcohol for fuel - Fertilizer manufacturing	14 Mar 2008	13 Mar 2016
1095(1)/2555	25 26 28 31 34 35(1) 35(2) 35(3) and 37	26 Jan 2012	- Generating electricity from biomass	7 Oct 2013	6 Oct 2021
2590(5)/2556	25 26 28 31 34 and 35(3)	12 Nov 2013	- Production of biological fertilizers or organic fertilizers	No Generated income	
1557(1)/2558	25 26 28 31 34 35(1) 35(2) 35(3) and 36(1)	25 December 2014	Electricity generating and stream production from biomass	No generated income	

In addition, BOI certificate No.1276/Or/2546 and 1095(1)/2555 the subsidiaries receive a fifty percent reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years, as from the expiry date in the table above.

4.2 Policy on Investment in Subsidiaries and Associate Companies

It is the Company's policy to invest only in businesses that are related to its core business and are beneficial to or support for the business operations of the Company in order to capture new sources of revenue and leverage its profitability. The Company will nominate an appropriate proportion of its representative directors to the boards of its subsidiaries or associate companies to oversee and steer their businesses towards the right direction and the best benefits of the Company.

5. Legal Dispute

As of December 31, 2015, the Company had no dispute which might have a potential negative impact in excess of 5% of the shareholders' equity per its consolidated financial statements as of the latest accounting period and the Company was not involved in any other dispute which would have a significant impact on its business.

6. General Information and Other Information

6.1 Company Information

Company Information	: Kaset Thai International Sugar Corporation Public Company Limited (the "Company")
Type of Business	: Production and distribution of sugar and connected secondary businesses such as the production and distribution of bleached white paper pulp, ethanol and electricity
Head office	: 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
Factory:	: 1/1 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province
Registration number	: 0107556000116
Telephone	: (66) 2692-0869 to 73
Facsimile	: (66) 2246-9125 , (66) 2692-0876 , (66) 2246-9140
Homepage	: www.ktisgroup.com
Company Secretary	: Mr. Suchart Pipatanachaiyapong Tel. (66) 2692-0869 to 73 ext. 176
Investor Relations and Corporate Communications	: Ms. Monathy Ploisook Tel. (66) 2692-0869 to 73 ext. 193 ext. 26
E-mail	: ir@ktisgroup.com
Registered capital	: 3,888,000,010 Baht
Paid up Registered Capital	: 3,860,000,010 Baht

6.2 Subsidiary Information

Sugar Business: Thai Identity Sugar Factory Co., Ltd.

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

Sugar Business: Lopburi International Sugar Co., Ltd.

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

Energy Business: Kaset Thai Bio Power Co., Ltd.

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

Energy Business: Ruamphol Bio Power Co.,Ltd

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

Energy Business: Thaiekaluck Power Co.,Ltd

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

Energy Business: Lopburi Biopower Co.,Ltd

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

Energy Business: KTIS Biogass Power Co.,Ltd

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

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

Business Type: Production and distribution of bleached paper pulp
 Head office: (1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 (2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory: 9/9 Moo 1 Attavipach Rd., Nong Pho Sub-District, Taklee District,
 Nakhonsawan Province
 Telephone (66) 2247-0920

Fertilizer Business: Kaset Thai Bio Fertilizer Co.,Ltd

Business Type: Production and distribution of fertilizers and soil
 Head office: 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory: 888 moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province
 Telephone (66) 56-338-123 to 5

Energy Business: Ekarat Pattana Co., Ltd.

Business Type: Production and distribution of ethanol
 Head office: (1) 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 (2) 133 Vibhavadi Rangsit Rd., Samsennai, Phayathai, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory: 9 Moo 14 Nong Pho Sub-District, Taklee District, Nakhonsawan Province
 Telephone (66) 56-338-333 , (66) 2644-8388 , (66) 2644-8130-2

Energy Business: KTIS Bio Energy Co.,Ltd

Business Type: Production and distribution of ethanol
 Head office: 24 Aekphol Bldg., Vibhavadi Rangsit Rd., Din Daeng, Din Daeng, Bangkok
 Telephone (66) 2692-0869 to 73
 Factory: Nakhonsawan Province

Energy Business: Lopburi Bioethanol Co.,Ltd

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

Holding Business: Permsinpattana Co., Ltd.

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

Property Business: Sapsirikaset Co.,Ltd

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

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

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

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

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

6.3 Other References**Registrar**

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

Auditor

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

Legal Advisor

Kudan and Partners Co.,Ltd
973 Preseident Tower,14th Floor, Unit 14C Ploenchit Road,
Lumpini,Pathumwan,Bangkok 10330,Thailand
Telephone (66) 2656 0818
Facimile (66) 2656 0819