



# บริษัท ไทยซูการ์ เทอร์มิเนล จำกัด (มหาชน)

THAI SUGAR TERMINAL PUBLIC COMPANY LIMITED

OFFICE/WAREHOUSE : 90 MOO 1, POOCHAOSAMINGPHRAI RD., SAMRONGKLANG, PHRAPRADAENG, SAMUTPRAKARN 10130 TEL.0-2394-2345 (10 LINES AUTO.) FAX : 0-2384-2261,3  
สำนักงาน/คลังสินค้า : 90 หมู่ 1 ถ.ปู่เจ้าสมิงพราย ต.สำโรงกลาง อ.พระประแดง จ.สมุทรปราการ 10130 โทร.0-2394-2345 (10 สายอัตโนมัติ) ,0-2394-0401-3 โทรสาร 0-2384-2261 ,0-2384-2263  
ทะเบียนเลขที่ บมจ. 416 PUBLIC COMPANY REG NO. 416 E-mail : ThaiSugrTerminal@netscape.net

Ref. 069/2009

25<sup>th</sup> June, 2009

Attn : President

The Stock Exchange of Thailand

Re : TSTE's subsidiary invest in Refinery Palm Oil Project

Dear Sirs,

According to the Thai Sugar Terminal Public Company Limited ("the Company") purchased the new common shares of TSG Property Co., Ltd. ("Subsidiary") which the company holds 94.31% of registered capital (Baht 200,000,000) to invest in Refinery Palm Oil ("RPO") Project.

Details of the Refinery Palm Oil Project are as follows :

## 1. Transaction Date

In June 2009, the subsidiary obtained an engineering, procurement and construction ("EPC") contractor for the RPO project which will take 9 months for the construction of the project; the completion is expected in the first quarter of 2010. However, the definite construction period will be determined by the selected EPC contractor.

## 2. Parties involved

Project Owner : T S G Property Co., Ltd.

Contractor for Buildings : S T R R Engineering Co., Ltd.

Contractor for Supply of Palm Oil Refinery Plant : Desmet Ballestra (SEA) PTE LTD. Singapore

Contractor for other supplies : Is in the process of obtain

The transactions with outsiders and has no relation to the major shareholders or committees of the company.

## 3. General Description of the Transaction

As the Refinery Palm Oil project's study, it shown that presently the consumption of palm oil is about 14% of total products and now there are 9 RPO Plants in Thailand to serve many food industries, households and others at the quantity of 822,000 metric tons per year or 60% of total palm oil product in Thailand. Hence, T S G Property Co., Ltd. (Subsidiary), proposed to build a new Palm Oil Refinery industry at the present the company's terminal area which are consisted of Refinery and fractionation, Vessels, Tank Farm, Storage Tanks, Pump House, Office Building etc. The project site is considerably suitable as it could benefit the joint use of Land, warehouses and jetty and other related facilities etc., It can take in crude palm oil directly from ocean by tanker vessels and / or barges from Koh Sichang.

Due to the Project is not related to the company's current operations, specialized knowledge and experiences in Refinery Palm Oil Project are required completely for business run. If the subsidiary cannot find experts to join in management team or as a strategic partner, the operation of the Project may not successful as expectation, and will effect on shareholder's wealth in the future. However, the subsidiary realized on this kind of risks, and made decision to recruit management team who has expertise in the said business, to help run this new business since initial period.



Moreover, the subsidiary is also looking for additional experts in this field to join the company for achieving a planned target in the future.

#### 4. The transaction size

In accordance with the value of assets acquired, compared with the value of assets of the company and its subsidiaries, equals to 17.73% of value of assets of the Company and its subsidiaries (calculated from the maximum transaction size of Baht 400,000,000 divided by Baht 2,256,609,000 which is the total assets of the Company and its subsidiaries, as of 31 March, 2009). The transaction size is equal to 15% or more but lower than 50% of total assets of the Company consolidated financial statement, hence required the Board of Directors' approval and report disclosure to the Exchange and notify the shareholders according to the According to Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004.

#### 5. Detail of the assets purchased

The implementation of RPO project consists of Refinery and fractionation, Vessels, Tank Farm, Storage Tanks, Pump House, Office Building and other supporting units, details as shown below:

Project owner	:	T S G Property Co., Ltd.
Contract value	:	Baht 101,500,000
Supply of Palm Oil and Fractioantion Plant	:	Singapore Dollars - 5,000,000
Other Supplies	:	Under selection process
Project site	:	At the current site of the company construction period approximately 9 months (a definite period is to be determined by the contractor)

#### 6. Total value of the consideration

T S G Property Co., Ltd. has estimated the investment in the RPO project of Baht 400,000,000

\*Payment is subject to terms & conditions of the contract.

#### 7. Value of assets of purchased

The project's investment of Baht 400,000,000 equal to the total value of the consideration.

#### 8. Basis used to determined the value of consideration

The process is aimed to achieve fair bidding price, proper selection and maximize benefit of the shareholders.

#### 9. Benefit to the Company

Dividend from it's benefit in the future.

#### 10. Sources of fund

1. TSG Property increased the registered capital from Bht. 30,000,000 to Bht. 200,000,000.-
2. The remaining of fund required shall be commercial bank loan



11. Opinion of Board of Directors

The Board of Directors Meeting have carefully considered and opined that the RPO project would serve the increasing demand of consumer products for cooking in the future and would benefit the Company, hence this investment transaction is reasonable. It has been carefully prepared with best endeavor concerning the shareholders' interest.

12. Audit Committee's opinion and/or the directors who has a different opinion

- nil -

13. The Directors who are the connected person did not vote for the said resolutions.

Please be informed accordingly.

Yours Sincerely,

Thai Sugar Terminal Public Company Limited

(Mr. Prapas Chutimavoraphand)

Managing Director

