



We are
Natural Energy
Innovation for All

Khon Kaen Sugar Industry PCL.
Annual Report 2015

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VISION

We Are Natural Energy Innovation For All

MISSIONS

To increase sustainable income for the cane-growers by maximize the efficiency and effectiveness of growing cane' s technology.

To develop the technology in order to maximizing the efficiency and effectiveness of production.

To create the mutual benefits among the stakeholders.

To develop co-product industry by fully maximizing resources utilization.

We Are Natural Energy
Innovation For All



KHON KAEN SUGAR INDUSTRY PUBLIC COMPANY LIMITED

70 YEARS OF EXCELLENCE EST.1945



Kwang Soon Lee Co., Ltd.

New Krung Thai
Sugar Factory Co., Ltd.



1970



Company Establishment
Document

1945

New Kwang Soon Lee
Sugar Factory Co., Ltd.



1965

1974



Chairman :
Mrs.Nantha
Chinthammit



Managing Director :
Mr.Chavalit
Chinthammit

Khon Kaen Sugar
Industry Co., Ltd.



1976

1945-1973: Expansion of Sugar Business

1974-1995: Consolidation & Diversification



Ang Vien Industry Co., Ltd.

1960



Thonburi Sugar Factory Co., Ltd.

1966



Tamaka Sugar Industry Co., Ltd.

1973



Support Businesses:
TSTE/ KSL Export/
KSL Agro/
KSL IT Center/
Bangkae Warehouse
KSL Real Estate



Opening of KSL
head office



1994



CEO & President :
Mr. Chamroom
Chinthammit

1996



SET listing

2005



Celebrating 6 Decades

2006



Laos
Savannakhet
Sugar Corporation

Cambodia

Koh Kong Plantation Co., Ltd.
Koh Kong Sugar Industry Co., Ltd.



2015



1996-2015: Internationalization & Energy Focus

Ethanol



2004

Fertilizer



Electricity



Bio-Refinery Complex at BoPloy,
Kanchanaburi



2009



2011



Khon Kaen Sugar Industry PCL.
Wangsapong, Loei



Sugar



2013

Liberty Square

GENERAL COMPANY INFORMATION

Khon Kaen Sugar Industry Public Company Limited

Type of Business : Manufacturer of Sugar and by products

Main Product : Raw Sugar, High Pol Sugar, White Sugar and Refined Sugar

Public Company No. : 01075747000214

Head Office : 503 KSL TOWER 9th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand
Tel. +66 2 6426 191-9 Fax. +66 2 6426 097

Factory (Branch 1) : 43 Moo 10, Nampong-Kranuan Rd., Nampong, Khon Kaen Province 40140, Thailand
Tel. +66 43 432 902-6 Fax. +66 43 441 056

Factory(Branch 2) : 255 Moo 4 Nong Ya Plong Sub-district, Wangsaphung District,
Loei Province 42130, Thailand Tel. & Fax. +66 42 810 - 931

Homepage : www.kslsugar.com

Sugar Business Information : Tamaka Sugar Industry Co.,Ltd.

Type of Business : Manufacturer of Sugar and by products

Main Product : Raw Sugar, White Sugar and Refined Sugar

Head Office: 503 KSL TOWER 21st Floor, Sriyudhya Rd.,
Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 229-39 Fax. +66 2 6426 228

Factory : 14/1 Moo 10, Saengchooto Rd., Tamaka Sub-district,
Tamaka District, Kanchanaburi Province 71120, Thailand
Tel. +66 34 543 201-3 Fax. +66 34 640 208

Sugar Business Information :

New Krung Thai Sugar Factory Co.,Ltd.

Type of Business : Manufacturer of Sugar and by products

Main Product : Raw Sugar, White Sugar and Refined Sugar

Head Office : 503 KSL TOWER 21st Floor, Sriyudhya Rd.,
Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 229-39 Fax. +66 2 6426 228

Factory : 99 Moo 6, Lumlang Sub-district, Boploy District,
Kanchanaburi Province 71160, Thailand
Tel. +66 34 615 350 Fax. +66 34 615 399

Sugar Business Information :

New Kwang Soon Lee Sugar Factory Co.,Ltd.

Type of Business : Manufacturer of Sugar and by products

Main Product : Raw Sugar, High Pol Sugar, White Sugar and
Refined Sugar

Head Office : 503 KSL TOWER 21st Floor, Sriyudhya Rd.,
Rajathevi District, Bangkok 10400, Thailand

Tel. +66 2 6426 229-39 Fax. +66 2 6426 228

Factory : 24 Moo 1, Ban-Nhongbua Rd., Mon-Nang
Sub-district, Panutnikom District, Chonburi Province 20140,
Thailand
Tel. +66 38 788-203-5 Fax. +66 38 462 431-2

Sugar Business Information :

Savannakhet Sugar Corporation (SSC)

Type of Business : Sugar Cane Plantation and Sugar Mill

Main Product : Raw Sugar and By products

Head Office & Factory : Rd. No. 9, KM. 81 Lianxay Village
Atsapangthong District Savannakhet Province, Lao P.D.R
Tel. (856) 41 666 002-3 Fax. (856) 41 666 001

Sugar Business Information :

Koh Kong Plantation Co.,Ltd. (KPT)

Type of Business : Sugar Cane Plantation

Head Office : Cham yeam Village, Paklong Commune,
Mondulseyma District, Koh Kong Province, Kingdom of
Cambodia Tel. (855) 35 399 333

Sugar Business Information :

Koh Kong Sugar Industry Co.,Ltd. (KSI)

Type of Business : Sugar Mill and Terminal

Main Product : Raw Sugar and By products

Head Office & Factory : Cham yeam Village, Paklong
Commune, Mondulseyma District, Koh Kong Province,
Kingdom of Cambodia Tel. (855) 35 399 888

Support Business Information :

Thai Sugar Terminal Public Co.,Ltd.

Type of Business : Terminal and Warehouse

Head Office : 90 Moo 1, Soi Siamisilo ,Poochaosamingprai Rd.,
Pheapradaeng District, Samut Prakarn Province 10130, Thailand
Tel. +66 2 3942 340-9 Fax. +66 2 3842 261, 3842 263

Support Business Information : KSL Export Trading Co.,Ltd.

Type of Business : Sugar and Related products exporting
activities

Head Office : 503 KSL TOWER 21st Floor, Sriyudhya Rd.,
Rajathevi District, Bangkok 10400, Thailand
Tel. +66 2 6426 203-6 Fax. +66 2 6426 207

**Sugar Business Information :
KSL Agro and Trading Co.,Ltd.**

Type of Business : Trading domestic sugar and operating agricultural businesses

Head Office : 503 KSL TOWER 9th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand
Tel. +66 2 6426 191-9 Fax. +66 2 6426 097

Branch Office : 83 Moo 2, Wattananakorn Sub - District , Wattananakorn District, Sakaew Province 27160, Thailand
Tel. +66 37 262-236 Fax. +66 37 262-235

**Sugar Business Information :
Wynn In Trading Co.,Ltd.**

Type of Business : Trading and consultancy service

Head office : 10th Floor, Raffles Tower, 19 Cyber City Ebene, Republic of Mauritius.

**Energy and Chemical Business Information :
Khon Kaen Alcohol Co.,Ltd.**

Type of Business : Producing Alcohol for gasohol and Producing Biofertilizer

Head Office : 503 KSL TOWER 17th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand
Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

Factory (Branch 1) : 88 Moo 10, Nampong-Kranuan Rd., Nampong District, Khon Kaen Province 40140, Thailand
Tel. +66 43 432-915-6 Fax. +66 43 432-917

Factory (Branch 2) : 99/2 Moo 6, Lumlang Sub - District, Boploy District, Kanchanaburi Province 71160, Thailand
Tel. +66 34 615 351-3 Fax. +66 34 615 354

**Energy and Chemical Business Information :
Khon Kaen Sugar Power Plant Co.,Ltd.**

Type of Business : Electricity Production

Head Office : 503 KSL TOWER 17th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand
Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

Factory (Branch 1) : 43 Moo 10, Nampong-Kranuan Rd., Nampong District , Khon Kaen Province 40140, Thailand
Tel. +66 43 432-911-3 Fax. +66 43 432-914

Factory (Branch 2) : 99/1 Moo 6, Tumbon Lumlang Amphur Boploy, Kanchanaburi Province 71160, Thailand
Tel: +66 34 615 356-7 Fax : +66 34 615 359

Factory (Branch 3) : 255/1-2 Moo 4 Nong Ya Plong Sub-district, Wangsaphung District, Loei Province 42130, Thailand Tel. & Fax. +66 42 810 - 931

**Energy and Chemical Business Information
KSL Chemical Co.,Ltd.**

Type of Business : Chemical Trading

Head Office : 503 KSL TOWER 17th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand
Tel. +66 2 6426 191-9 Fax. +66 2 6426 294

Other Business : KSL Real Estate Co.,Ltd.

Type of Business : Real Estate Development and Training Center

Head Office : 503 KSL TOWER 9th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand
Tel. +66 2 6426 221-3 Fax. +66 2 6426 224

Other Business : Champion Fermentation Co.,Ltd.

Type of Business : To invest in Starch Factory

Head Office : 503 KSL TOWER 20th Floor, Sriyudhya Rd., Rajathevi District, Bangkok 10400, Thailand
Tel. +66 2 6426 210-19 Fax. +66 2 6426 220

References : Company Register

Thailand Securities Depository Co.,Ltd.

62 The Stock Exchange of Thailand Building,
Rachadapisek Rd., Klongtoey District,
Bangkok 10110, Thailand
Tel. +66 2 2292 800 Fax. +66 2 3591 259

References : Auditor

Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.

Rajanakarn Bldg. 25th Floor
183 South Sathorn Rd., Yannawa Sub-District, Sathorn District,
Bangkok, 10120 Thailand
Tel. + 66 2 676 5700 Fax. + 66 2 676 5757

FINANCIAL SUMMARY

Income Statement Highlight (Million THB)	2015	2014	% Change	2013
Sales and Services	18,866	19,185	-2%	18,941
Cost of Sales and Service	(14,837)	(14,358)	3%	14,961
Gross Profit from Sales & Services	(4,029)	4,827	-17%	3,980
Other Incomes	661	447	48%	777
Gross Profit from other Income	4,690	5,274	-11%	4,756
Selling Expense	(595)	(623)	-4%	(474)
Administration Expense	(864)	(727)	19%	(603)
Management Remuneration	(197)	(193)	2%	(182)
Proceeds to Fund	(1,157)	(992)	17%	(1,033)
Total cost	(2,813)	(2,534)	11%	(2,292)
EBIT	1,877	2,740	-31%	2,464
Financial cost	(849)	(834)	2%	(672)
Share of Profit of Associated Company	14	(11)		(0)
Corporate Income Tax	(93)	(109)	-15%	(132)
Minority and others	(134)	(159)		16
Net Profit	815	1,626	-50%	1,676
EPS	0.20	0.49	-58%	0.50
Gross Margin from Sales & Service	21.36%	25.16%		21.01%
Net Profit Margin	4.32%	8.48%		8.85%

Balance Sheet Highlight (Million THB)	2015	2014	% Change	2013
Cash & Short Term Investment	294	256	15%	212
Account Receivable	1,226	1,657	-26%	881
Farmers Account Receivable	1,041	993	5%	696
Short Term Loan to Farmers	809	889	-9%	1,027
Inventories	4,109	4,348	-6%	3,647
Deferred Cane Plantation Cost	518	543	-5%	480
Net PP&E	26,976	27,088	0%	25,138
Total Asset	40,176	40,134	0%	36,017
Current Liabilities	9,156	14,322	-36%	13,466
Non-Current Liabilities	15,532	10,979	41%	8,848
Total Liabilities	24,688	25,301	-2%	22,315
Total Shareholder's Equity	15,488	14,833	4%	13,703
Book Value per share	3.34	3.96		3.68
D/E Ratio	1.59	1.71		1.63
IBD/E Ratio	1.45	1.48		1.39

Cash Flow Highlight (Million THB)	2015	2014	% Change	2013
Net Profit + Depre. + Non Cash	3,135	3,875	-19%	3,370
Change in Working Capital	(1,743)	(2,278)		(1,604)
from Operating Activities	1,392	1,598	-13%	1,766
Invest in PP&E	(965)	(2,650)	-64%	(4,242)
from Investing Activities	(931)	(3,195)	-71%	(6,294)
from Financing Activities	(314)	1,708	-118%	4,431
Change in Cash Flow	31	57		(91)
Ending Cash	287	256		199
EBIT	1,877	2,740	-31%	2,464
Depreciation	1,252	1,131	11%	950
EBITDA	3,129	3,871	-19%	3,414

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



A handwritten signature in black ink, reading "Manu Leopaibote".

Mr. Manu Leopaibote

In 2015, the Khon Kaen Sugar Industry Public Company Limited organized a celebration for its 70th Anniversary with its valued customers and business partners. The celebration was held on October 7, 2015 Plaza Athenee, A Royal Meridien Hotel Bangkok with the Minister of Industry, Dr. Atchaka Sibunruang, presided as the honorable Chair. The event recounted the success of KSL over 70 years since the start of its sugar mills to continuous expansion of supporting businesses and investment in production of valued by-products such as ethanol, electricity, and organic fertilizer until finally becoming a listed company in the Securities Exchange of Thailand. The admirable success of KSL in expanding its operation towards becoming a complete Bio-Refinery Complex where the construction and management of sugar mills and all related by products such as ethanol, electricity, and organic fertilizer production facilities are housed in one location created a zero waste production cycle that not only lowers production costs but also diversifies the group's investment risks appropriately.

The future of KSL is based on the vision to create and capture value for its investment in innovative technology that will turn

its natural sugar-by-products into useful energy and products that meet the needs of many different customers. The Company sets 4 core values that focus on dynamic, integrity, synergy, and creativity or DISC which will help strengthen the Company's foundation for the future by encouraging employees from every department to adopt these values and to make improvement to their work ethics. The Company will continue to maintain its good corporate governance and to operate with the sufficiency economy principles in mind. On the occasion of the Company's 70th Anniversary in 2015, the Company successfully completed its "70 Year : 70 Sufficiency Programs" that encouraged stakeholders such as employees, shareholders, and communities to adopt sufficiency economy principles and build a network of sustainable living for everyone.

Finally, on behalf of the Board of Directors, I would like to thank all employees for their dedication to the Company and to thank our shareholders, business partners, customers who keep on supporting us so well. The Company will keep making improvements to our operation and grow sustainably while simultaneously taking care of surrounding communities and the environment.

MESSAGE FROM CHIEF EXECUTIVE OFFICER AND PRESIDENT



Mr. Chamroon Chinthammit

The Company's overall performance for the year 2015 is lower than the previous year. The operating profit for 2015 is 815 million THB, a 50 percent decrease from the year 2014 at 1,626 million THB. There are several factors that contribute to the decrease in this year's profits. In 2014, the world price of sugar had been 15-18 cents/lbs but in 2015 fell to 11-15 cents/lbs and in the third quarter of 2015, has fallen further at 10.13 cents/lbs. The reason the world sugar price has fallen drastically is because there has been an oversupply of sugar in the world for the last 5 consecutive years. Additionally, the severe devaluation of Brazilian real (the world's largest sugar producer and exporter) from 2.66 real per USD in 2014 to 3.96 real per USD in 2015 (about 49% decrease) has rushed many funds to sell off their sugar future contract. Nonetheless, in 2016, it is estimated that the production of sugar will be lower than the demand; hence the sugar price (January 2016) bounces back up to 14-15 cents/lbs. For the Company's renewable energy businesses, both ethanol and electricity experience declined in their operating performance compared to the previous year mainly due to increasing raw material costs. Additionally, the Company incurred significant maintenance cost and lost two months worth of revenue when its electricity plant in Boploy, Kanchanaburi province went under major repair.

Other significant management activities for the year 2015 include adjusting the Company's vision and KSL brand to reflect the direction of the Company's future growth in creating and

capturing value from innovative sugar and energy products that fulfill the needs of many different customers; strengthening corporate culture by clearly defining organizational core values and encouraging employees to continuously improve their performance and work responsibly towards the progressive development of the Company's vision. In terms of corporate social responsibility, the Company completed its "70 Year : 70 Sufficiency Economy Programs" to promote the sufficiency economy principles and sustainable living in communities locating around our factories as planned. The Company made 20 million THB philanthropic investment in an open ESG fund managed by TISCO called "Long Tun Soon Tarn," and will use the returns on such investment to fund wide-ranging corporate philanthropic projects over the long term. Additionally, the Company along with its customers and business partners raised over 13 million THB to build the Chakri Naruebodindra Medical Institute. The Company believes that the improvement programs and CSR activities mentioned above are important foundation for a sustainable growth of the Company and of Thai society in the future.

On behalf of Khon Kaen Sugar Industry Public Company Limited, I would like to thank shareholders, business partners, customers, employees, financial institutions, and relevant parties for their support and hope to maintain our good relations for many years to come.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee was appointed by the Board of Directors to be responsible for internal auditing, financial report auditing, and to promote and ensure the Company's compliance with the Code of Best Practices for Listed Companies enabling good corporate governance and the efficiency and effectiveness of the corporate risk management and internal audit system.

The Audit Committee members includes Mr. Sitti Leelakasemlurk as Chairman and three independent directors: Ms. Nongluck Phinainitisart, Mr. Karun Kittisataporn , and Mr. Worapat Todhanakasem. None of the Audit Committee members hold executive positions that involved in the daily management of the Company, its subsidiaries, and its associated businesses. They are not consultants or partners of the Company, its subsidiaries, or its associated businesses. In 2015, the meeting date for the Audit Committee has been changed to January 1, 2015 to October 31, 2015 and 4 meetings were held. A summary of the important work performed by the Audit committee during the year are as follow:

1. Reviewed the Company's Quarterly and Annual Financial Reports

Before the management presented the financial reports to the Board of Directors for approval, the Audit Committee reviewed all financial reports in conjunction with the auditor and in the absence of the executive directors. This is to allow auditors to freely and independently audit the reports, inquire and inform the details of the financial report, explain the accounting method, and express any concerns to ensure that the financial information is sufficiently disclosed in a timely manner and according to the customary accounting practice and standard. The auditor did not find any inconsistency within the company's financial report. The Committee deemed the financial reports for 2015 to be accurate, adequate, reliable, and in line with generally accepted accounting standards.

2. Good Corporate Governance

The Audit Committee supervised the Company's compliance to the Good Corporate Governance policy and guidelines of the Securities and Exchange Commission of Thailand and other related laws and regulations in order to ensure the transparency of the Company's operation and gain the confidence of the shareholders and investors.

3. Reviewed Risk Management

The Audit Committee reviewed the Company's risk management system by focusing on significant risk factors and monitoring risk status reports from the Risk Management Committee on a quarterly basis. The Committee deems that in 2015, the Company's risk management system is at appropriate level.

4. Reviewed the Sufficiency of Internal Control and Internal Audit Systems

The Audit Committee examined the corporate internal control system by reviewing internal audit reports that includes the Company's significant work processes. The Committee gave advice to the Internal Audit Unit to improve its work effectiveness and efficiency, considered and approved the annual internal audit plan, and supported the Company's effort to develop the knowledge of internal auditors so that they may perform their duties according to international standard and improve the overall quality of the Company's Internal Audit System.

5. Reviewed the appropriateness of the list of potential conflict of interests

The Audit Committee had examined the company's list of transactions and interrelated items and the disclosure of such information in accordance with the guidance and requirements set by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The Committee deemed that the list of transactions and interrelated items were in accordance with the normal business practice and pricing and that the information disclosed was transparent, sufficient, accurate and complete.

6. Compliance with the law and regulations of the Securities & Exchange Commission, the Stock Exchange of Thailand, and the laws related to the Company's operation

The Audit Committee reviewed and verified the Company's compliance with applicable laws and requirements of the Securities & Exchange Commission, and the Stock Exchange of Thailand. This ensures transparency of the Company's operation to shareholders and all stakeholders.

7. Suitability of the Auditors

The Audit Committee reviewed and selected auditors and remuneration based on the experience and performance of the auditor from the previous year. Deloitte Touche Tohmatsu (Thailand) Co. Ltd has the expertise and good knowledge of the Company. It operates independently, justly, and consistently delivers its work on time. Consequently, the Committee recommends the Board propose the shareholder's meeting to continue appointing Deloitte Touche Tohmatsu (Thailand) Co., Ltd as its auditor for the 6th year in 2016.

Additionally, the Audit Committee and its members conducted a self-assessment of its performance for the year 2015 based on the criteria set out by the Audit Committee Charter for good practice. The individual and group assessment results indicate that the Audit Committee has sufficiently and responsibly performed its duty within the scope assigned by the corporate Board with due diligence and independence. It is the Audit Committee's opinion that the Company had provided correct financial reports, operated under the efficient internal control system, implemented effective risk management, complied with the laws, regulations, and requirements pertaining to corporate business operations, appropriately disclosed related party transactions, and sufficiently, transparently, and reliably operated according to good corporate governance guidelines.

On behalf of the Audit Committee,

Mr. Sitti Leelakasamelek
Chairman of the Audit Committee

THE BOARD OF DIRECTORS



Mr. Manu Leoparote

Chairman
Independent Director



Mr. Chamroon Chinthammit

Chief Executive Officer and President



Mr. Prapas Chutimavoraphand

Director
Executive Director



Mr. Pornsin Thaemsirichai

Director
Executive Director



Mr. Sukhum Tokaranyaset

Director
Executive Director



Mr. Thawatchai Rojanachotikul

Director
Executive Director



Mrs. Intira Sukhanindr

Director
Executive Director



Ms. Duangdao Chinthammit

Director
Executive Director
Nomination and Remuneration Committee



Mr. Somchai Chinthammit

Director
Executive Director



Ms. Duangkae Chinthammit

Director
Executive Director



Mr. Somchart Chinthammit

Director
Executive Director
Nomination and Remuneration Committee



Mr. Tachpong Pakornsiriwongse

Director
Executive Director



Mr. Chalush Chinthammit

Director
Executive Director
Risk Management Committee



Mr. Chatri Chinthammit

Director



Mr. Pramoon Vichiensin

Independent Director
Chairman of the Nomination
and Remuneration Committee



Pol. Gen. Boonpen Bumpenboon

Independent Director
Chairman of the Risk Management Committee
Corporate Governance Committee



Mr. Sitti Leelakasamelurk
Independent Director
Chairman of the Audit Committee
Risk Management Committee



Mr. Karun Kittisataporn
Independent Director
Audit Committee
Corporate Governance Committee
Nomination and Remuneration Committee



Mr. Worapatr Todhanakasem
Independent Director
Audit Committee
Risk Management Committee
Chairman of the Corporate Governance Committee



Ms. Nongluck Phinainitisart
Independent Director
Audit Committee
Corporate Governance Committee



Mr. Trakarn Chunharojrit
Director
Executive Director

NATURE OF BUSINESS OPERATION



Business Objectives

Khon Kaen Sugar Industry Public Company Limited has the policy to operate its business ethically and responsibly towards its stakeholders, society, and the environment. It place emphasis on conducting transparent operations, respecting human rights standards, and safeguarding the interests of all stakeholders through the following vision, mission, and quality policy:

Quality Policy

To produce high quality sugar, achieve efficient operation, make on-time delivery, ensure customer's satisfaction and consumer's safety.

Vision

We are natural energy innovation for all.

Create income for farmers through efficient processes and high quality agricultural yields.

Develop down-stream businesses to maximize the usage of raw materials, byproducts, and other resources.

Mission

Continuous improvement on technology and R&D to efficiently increase agricultural yields.

Create an environment that mutually benefits our partners of success.

OVERVIEW OF BUSINESS OPERATION AND POLICY

Long term goal of the company is to be one of the leaders in sugar, by-product, and value added productions which can be shown in company's sugar policy: *"production of quality sugar with high efficiency, prompt delivery, winning customers' trust, consumption safety"*. This policy has encouraged company's 5 sugar factories to be widely accepted as one of the highest efficiency and highest quality sugar production groups in Thailand. In addition, with the goal of being one of leading companies in by-product and value added production and with the vision on the potential growth in related-sugar businesses, such as ethanol business, power business, and organic fertilizer business, the company has made continuous investments in these sectors which to date has been successful and highly satisfactory.

The company's short term goal is to be one of the leaders in the industry who excels in cost management and productivity. The goal can be achieved by applying modern technology to the corporate production and management systems. Furthermore, the company is aware that its primary risk is the amount of cane it is able to procure for crushing. The sugar factories and other integrated businesses cannot sustain without adequate cane crushed. The company, hence, aims to reduce the farmers' cane cultivation cost as well as to improve their productivity yields and efficiency. Its objective is to help the farmers sustain their living and receive higher return on their investment as well as to remain productive suppliers to our businesses.

Important Changes and Developments During the Past 3 Years

In 2011, the company decided to start the Loei Project that consisted of building 1 sugar factory with capacity to crush 18,000 tons of cane/day and building 1 electricity power plant that can generate 40 MW of electricity. The sugar factory had its test runs during the production season 2012/2013.

In 2012, after performing feasibility study and other required assessments, the company decided to make further investment to expand its electricity power plant and sugar factory in Nampang district of Khon Kaen province. Electricity power plant production capacity will be 65 MW, up from 30 MW and sugar crushing capacity will increased by 8,000 tons of cane sugar/ day, totaling to 35,000 tons of cane sugar/ day. The expansion project was completed in 2014.

Company Overview

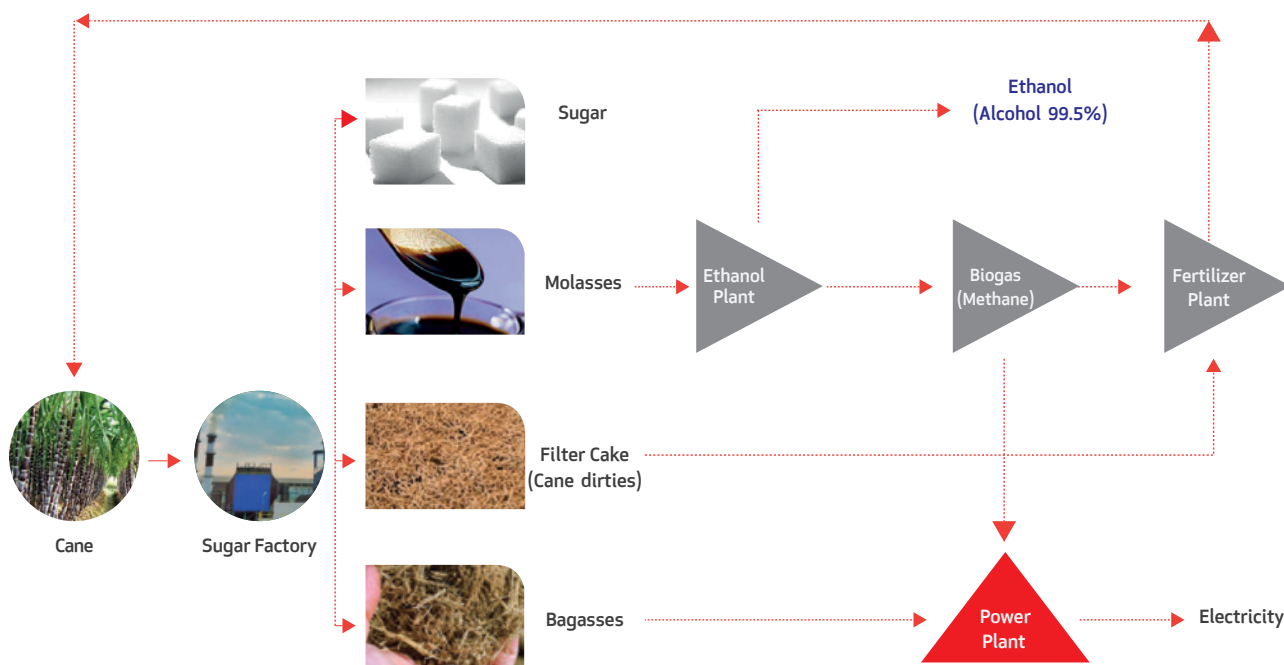
Khon Kaen Sugar Industry Public Company and its subsidiaries, under KSL, are Thailand 4th largest sugar producer group. The company has 5 sugar factories in the group, located in three different regions, as follows:

- Northeastern Region: Khon Kaen Sugar Industry Public Company Limited; Nampong branch in Khon Kaen province and Wansapung branch in Loei province.
- Western Region: New Krung Thai Sugar Factory Co.,Ltd and Tamaka Sugar Industry Co.,Ltd in Kanchanaburi province
- Eastern Region: New Kwang Soon Lee Sugar Factory Co.,Ltd in Choburi province

The core products which the company produces are sugar which can be categorized to be 4 types: (a) raw sugar (b) high pol sugar (c) white sugar and (d) refined sugar. The company also has other products related to sugar production process, such as molasses, bagasses and filter cake. According to these kinds of products, the company has a plan to invest in value added projects, as followings: (shown on Figure 1.1)

- Ethanol plant: Ethanol is mixed with gasoline, and the mixture is used as fuel for vehicles. Raw materials used in the Group's ethanol production include molasses and sugarcane juice
- The biogas plant uses waste water from ethanol production process as a raw material. Biogas produced through fermentation of the raw material is used as a supplementary fuel for the corporate power plant.
- The organic fertilizer plant uses waste from the sugar production process (filter cake) and wastewater from biogas and ethanol production as raw materials.
- The power plant uses waste from the sugar production process (bagasse) and biogas from the biogas plant as fuel sources for producing electricity and steam sold to plants in the Group and the EGAT.

Figure 1.1 : The Relationship between KSL's Existing Sugar Production and KSL's Value Added Project



As of October 31, 2015, Khon Kaen Sugar Industry Public Company Limited and its subsidiaries have the investment in subsidiaries and affiliates, as followings:

Business Unit/Company Name	Paid - Up Capital (THB Million)	Proportion Of Investment	Nature of Main Business
Sugar Business			
Tamaka Sugar Industry Co.,Ltd.	600.00	90.21%	Produce and distribute sugar
New Krung Thai Sugar Factory Co.,Ltd.	1000.00	95.78%	Produce and distribute sugar
New Kwang Soon Lee Sugar Factory Co.,Ltd.	500.00	98.61%	Produce and distribute sugar
Savannakhet Sugar Corporation	684.76	98.49%	Sugar cane Plantation and Sugar Factory in Laos
Koh Kong Plantation Co.,Ltd.**	936.98	80.00%	Sugar cane Plantation in Cambodia
Koh Kong Sugar Industry Co.,Ltd.	1167.66	80.00%	Sugar Factory in Cambodia
Supporting Business			
Thai Sugar Terminal Public Company Limited***	145.20	23.82%	Terminal, Warehouses, Real estate, produce and distribute wheat flour and palm oil
KSL Export Trading Co.,Ltd.	20.00	79.55%	Sugar and Related products Exporting Activities
KSL Agro and Trading Co.,Ltd.	300.00	100.00%	Trading domestic sugar and operating agricultural businesses
Wynn In Trading Co.,Ltd.	487.497	100.00%	International trading and consulting
Energy and Chemical Business			
Khon Kaen Alcohol Co.,Ltd.	610.00	100.00%	Producing and distributing ethanol or agri-fuel and organic fertilizer
Khon Kaen Sugar Power Plant Co.,Ltd.	800.00	100.00%	Power Plant (SPP)
KSL Material Supply Co.,Ltd.*	10.00	100.00%	Raw Material Sourcing
Other Business			
KSL Real Estate Co.,Ltd.	840.00	91.02%	Real Estate Development and Training Center
Champion Fermentation Co.,Ltd.	200.00	32.50%	A holding company currently looking at investment opportunities in related business

Note:

Proportion of investment shown above includes both direct and indirect shareholdings

* Previously named KSL Chemical Co.,Ltd.

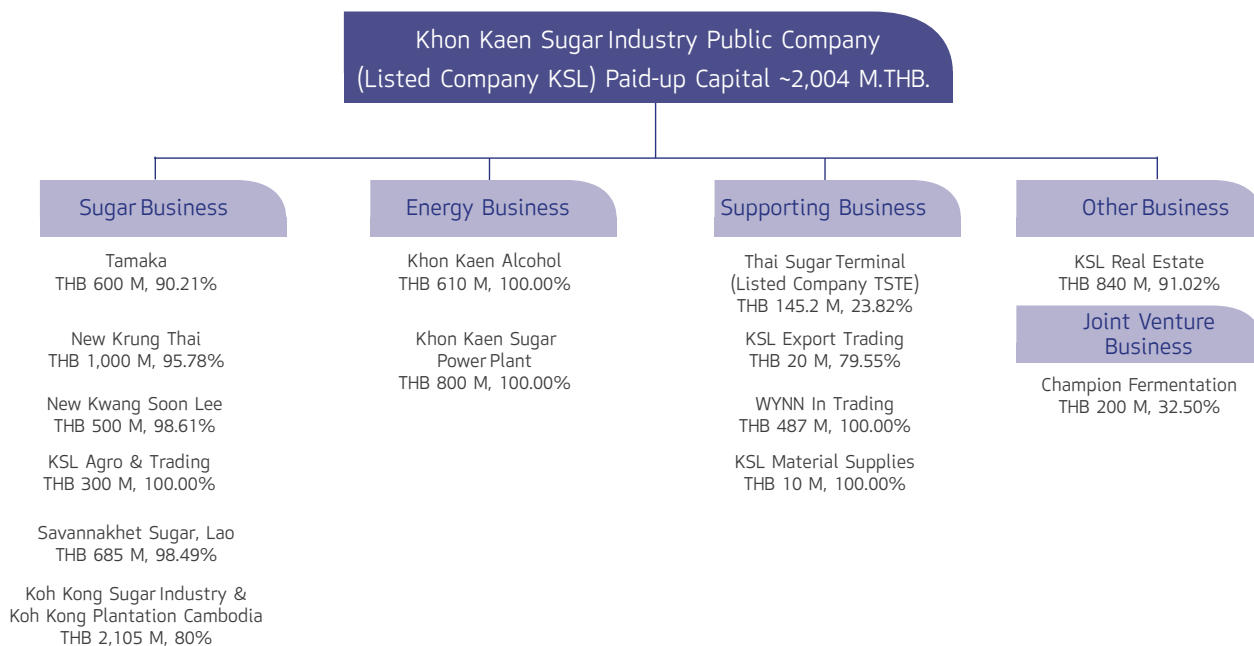
** Indirect shareholding through Wynn In Trading Co.,Ltd.

*** Thai Sugar Terminal Public Company Limited, a KSL subsidiary listed in the Stock Exchange of Thailand as TSTE, has 5 subsidiaries:

- TSG Assets Company Limited operates real estate rentals. TSTE holds 23.11% shares.
- TS Oil Industry Company Limited (formerly known as TSG Property Company Limited) trades, leases, develop real estate, and operate a palm oil refinery plant. TSTE holds 28.48% shares.
- TS Flour Mill Company Public Company Limited rents out real estate and manufactures wheat flour. TSTE holds 16.59% shares and itself was listed in the Stock Exchange of Thailand as TMILL.
- TS Warehouse Company Limited stores and transfers goods. TSTE holds 19.30% shares.
- TS Transport and Logistics Company Limited provides transport and security services. It also manufactures plastic sacks. TSTE holds 30.58% shares directly and indirectly.

For further details, refer to Listed Company Information on Thai Sugar Terminal Public Company Limited (TSTE) and TS Flour Mill Company Public Company Limited (TMILL).

Organization of KSL Group on October 31, 2015 shown on the following chart:



The details of Khon Kaen Sugar Industry Public Company Limited, subsidiaries and affiliates are as follows:

Sugar Business

Khon Kaen Sugar Industry Public Company Limited

The nature of business is to produce and distribute sugar and other by-products. The first branch is located in Nampong district, Khon Kaen province. In 2015, improvements were made to increase its maximum crushing capacity to 35,000 ton cane per day. The second branch is located in Wangsapong district, Loei province with the maximum crushing capacity of 18,000 ton cane per day. Both branches have the capability to produce raw sugar, high pol sugar, white sugar and refined sugar.

Tamaka Sugar Industry Co.,Ltd.

The nature of business is to produce and distribute sugar and other by-products. The factory is located in Tamaka district, Kanchanaburi province with the maximum crushing capacity of 22,000 ton cane per day and capable to produce raw sugar, white sugar and refined sugar.

New Krung Thai Sugar Factory Co.,Ltd.

The company produces and distributes sugar and other by-products. The factory, which was originally located in Tamaka district, Kanchanaburi province, was relocated to Bo Ploy district, Kanchanaburi province. The production capacity was expanded to the maximum crushing capacity of 36,000 tons of cane per day. Construction has already completed, the factory is capable of producing raw sugar, white sugar, and refined sugar.

New Kwang Soon Lee Sugar Factory Co.,Ltd.

The enterprise produces and distributes sugar and other by-products. The factory located in Panutnikom district, Chonburi province, has the maximum crushing capacity of 4,000 tons of cane per day. The cane crushing capacity decreased due to the fact that some of the machines had been moved to Laos and Cambodia. The factory is capable of producing raw sugar, high pol sugar, white sugar, and refined sugar.

Savannakhet Sugar Corporation

The company received sugarcane plantation concession that covers approximately 10,000 hectares (62,500 rai) from the Lao government. Sugarcane cultivation is undertaken by the company itself. The sugar factory in Savannakhet has the maximum crushing capacity of 3,000 tons of cane per day. Its output includes raw sugar and other byproducts.

Koh Kong Plantation and Koh Kong Sugar Industry

The company received sugarcane plantation concession that covers approximately 19,100 hectares (119,375 rai) from the Cambodian government. Sugarcane cultivation is undertaken by the company itself. The sugar factory in Koh Kong has the maximum crushing capacity of 6,000 tons of cane per day. Its output includes raw sugar and other byproducts.

Energy and Chemical Business

Khon Kaen Alcohol Co.,Ltd.

Established in early 2004, the company runs the business of producing alcohol (Ethanol) from molasses, sugarcane and others with the licenses to produce 350,000 liters per day (150,000 at Nampong, Khon Kaen and 200,000 at Boploy, Kanchanaburi) granted by Ministry of Industry for the purpose of producing alcohol for blending with gasoline, so-called "gasohol", using as fuel in vehicles. In addition, the company produces fertilizers as a downstream project to the alcohol plant, which uses waste water from alcohol plant and filter cake, waste products from sugar processing.

Khon Kaen Sugar Power Plant Co.,Ltd.

Established late in 2003, the company operates renewable power plants that can produce electricity and steam by using bagasses as raw material. The power produced at the plants can supply the factories within the group and any additional power generated are then sold to EGAT (Grid). Currently, the company operates 3 power plants all locating nearby its sugar factories. The first branch is closed to Khon Kaen Sugar Factory in Nampong district of Khon Kaen province. The second branch is closed to New Krung Thai Factory in Kanchanaburi province (part of the Boploy Renewable Energy Project). The third branch is located next to Khon Kaen Sugar Factory in Wangsamong district of Loei province (The Loei Project). Currently, the total capacity of all three branches can produce up to 160 MW of electricity. The total capacity of the three branches will reach 195 MW of electricity once the plant expansion project in Loei is completed.

KSL Material Supply Co.,Ltd.

KSL Material Supply Co.Ltd now operate business relating to sourcing and selling raw materials and materials related to agriculture such as organic fertilizers and related services.

Supporting Business

KSL Export Trading Co.,Ltd.

Established in 1992, the company performs as a licensed exporting company, according to cane and sugar act 1984, which provides services of exporting activities to the sugar companies in KSL Group and also other sugar factories.

Thai Sugar Terminal Public Company Limited (TSTE)

The company is a listed company in the Stock Exchange of Thailand. Its businesses involve warehouse leasing, loading and discharging sea freight, port operations, and freight forwarding. The terminal and warehouse are located in Prapadang, Samutprakarn, on the Chopraya River bank. Customers are primarily sugar companies in the KSL Group, other sugar factories owned by strategic partners, and general customers. In addition, Thai Sugar Terminal Public Company Limited (TSTE) is the mother company of 5 subsidiaries, which mainly deal with real estate trading and leasing, wheat flour production, plastic sack manufacturing, and palm oil refinery plant operations. (For details, refer to listed company profiles section: Thai Sugar Terminal Public Company Limited (TSTE) and TS Flour Mill Public Company Limited (TMILL)).

KSL Agro and Trading Co.,Ltd.

Established in 2006, the company trade sugar and related products for domestic customers. It also grow sugar cane on the company's land.

Wynn In Trading Co.,Ltd.

The nature of business is international trading and international investment consulting. Khon Kaen Sugar Industry Public Company held 100.00% share of Wynn In Trading Co., Ltd.

Other Businesses

KSL Real Estate Co.,Ltd.

The company is involved in the business of property rental and resort ownership in Kanchanaburi, near the River Kwai, under the name of "River Kwai Park and Resort" This company provides the accommodation and facilities for holiday vacation and training center for employees of the KSL group and other general customers. Additionally, the company has acquired a commercial rental property, The Liberty Square Building that is located in the heart of Silom Road that is one of the busiest business area of Bangkok with approximately 19,151 sqm of rental space consisting of 22 floors and 6 levels of underground parking.

Champion Fermentation Co.,Ltd.

The company is a joint venture business between Khon Kaen Sugar Industry Public Company holding 32.5% shares. The company had previously invested in tapioca flour factory, Chantaburi Starch Co.,Ltd. that use cassava as raw material. In 2015, the company has divested its investment in this starch business. Currently, the company is now looking for new investment opportunities.

Regarding the policy to regulate and monitor the operation of subsidiaries and affiliates, Khon Kaen Sugar Industry has categorized its subsidiaries and affiliates which have the similar nature of business to be a group together under the same team of management. Hence 4 sugar companies are under the same board of executive directors. For supporting business, energy and chemical business and other business, Khon Kaen Sugar Industry will assign its own representatives to join as a position of company directors for policy making or as a position of top management for operation directing, which will make consistency in policies from parent company, subsidiaries and affiliates.

Description of Each Business Operation

Company	% of Shareholding in 2015	2013 Revenue (Million THB)	%	2014 Revenue (Million THB)	%	2015 Revenue (Million THB)	%
1. Khon Kaen Sugar Industry Public Company	Mother Company	6,022.13	23%	8,668.09	31%	8,370.27	29%
2. Tamaka Sugar Industry Co.,Ltd.	90.21%	3,021.98	11%	3,196.84	11%	2,946.99	10%
3. New Krung Thai Sugar Factory Co.,Ltd.	95.78%	4,548.89	17%	4,540.44	16%	4,645.78	16%
4. New Kwang Soon Lee Sugar Factory	98.61%	733.42	3%	744.15	3%	550.13	2%
5. Thai Sugar Terminal Public Company	23.82%	2,471.65	9%	1,538.84	6%	1,457.52	5%
6. KSL Export Trading Co.,Ltd.	79.55%	15.00	0%	13.15	0%	20.60	0%
7. Khon Kaen Alcohol Co.,Ltd.	100.00%	2,437.42	9%	2,472.01	9%	2,600.92	9%
8. Khon Kaen Sugar Power Plant Co.,Ltd.	100.00%	2,151.97	8%	2,493.81	9%	2,994.70	11%
9. KSL Material Supplies Co.,Ltd.*	100.00%	2.95	0%	20.56	0%	11.61	0%
10. Savannakhet Sugar Corporation	98.49%	246.94	1%	211.21	1%	219.55	1%
11. Koh Kong Plantation Co.,Ltd.**	80.00%	136.21	1%	128.73	0%	116.70	0%
12. Koh Kong Sugar Co.,Ltd.	80.00%	667.43	3%	89.36	0%	136.92	0%
13. KSL Agro and Trading Co.,Ltd.	100.00%	3843.20	15%	3,605.85	13%	4,172.69	15%
14. KSL Real Estate Co.,Ltd.	91.02%	102.17	0%	150.34	1%	154.96	1%
15. Wynn In Trading Co.,Ltd.	100.00%	-	-	-	-	-	0%
Total		26,401.38	100%	27,873.38	100%	28,399.34	100%
Minus Interrelated items		-7,460.22		-8,688.53		(9,533.50)	
Total Revenues		18,941.16		19,184.84		18,865.84	

* Formerly name KSL Chemical Co.,Ltd. ** Indirect shareholding through Wynn In Trading Co., Ltd.

Description of each products

Sugar: Production and Characteristics

The company is a group of sugar manufacturers whose quality management system is certified by SQF 2000, ISO 9001: 2000, and Hazardous Analysis and Critical Control Point (HACCP) accreditations. Sugar produced by the KSL group can be divided into four categories according to their types and levels of purity as follows:

Raw sugar – Raw sugar has a color index higher than 1,500 ICUMSA. It is dark brown, and has a high dirt index and a low purity index. Transfer is done in bulk without the use of sacks. This type of sugar cannot be consumed until it is refined or purified, turning into white sugar or refined sugar.

High pol sugar – High pol sugar has a color index between 1,000 – 1,500 ICUMSA. It can be consumed without any further process needed. Generally, the sugar is put in sacks before being transported. It is priced lower than white sugar and refined sugar.

White sugar – White sugar has a color index between 46 – 200 ICUMSA with a degree of polarization not lower than 99.50. It is widely consumed among households and used as a raw material in food industries where moderate purity is required.

Refined sugar – Refined sugar has a color index that does not exceed 45 ICUMSA. It is especially high in purity. The sugar is used in certain industries where highly pure sugar is needed, such as pharmaceutical industry, carbonated beverage industry, and energy drink industry.

After sugar manufacturing there is a residue called "molasses" that its sugar content is so low that any further sugar extracting is uneconomical. Molasses is a valuable by-product obtained from sugar production. It contains 20% water, 30% sucrose, 32% invert sugar, 12% non-sugar organic substance, and 6% ash. From one ton of sugarcane, the corporate sugar factories have capacity to manufacture between 45–50 kilograms of molasses. An amount of molasses produced in a year depends on a quantity of sugarcane crushed in the year. Molasses can be widely used in such biochemistry industries as alcohol and distilling industry, yeast industry, monosodium glutamate industry, animal food industry (where molasses is mixed with cassavas and bagasse), vinegar industry, and soy sauce and seasoning sauce brewing industry.

Other residues from sugar manufacturing process that are also useful include bagasse and filter cake. Bagasse is the fibrous material remaining after the last extraction of juice from sugarcane. Now the company uses burned bagasse as a source of energy for electricity and steam generation used in sugar manufacturing process. Part of the electricity generated is sold to the EGAT. Filter cake is a residue from vacuum filtration. It can be used as a raw material for general-purpose fertilizer. In the past, the company gives away filter cake to sugarcane farmers to promote sugarcane plantation in nearby areas.

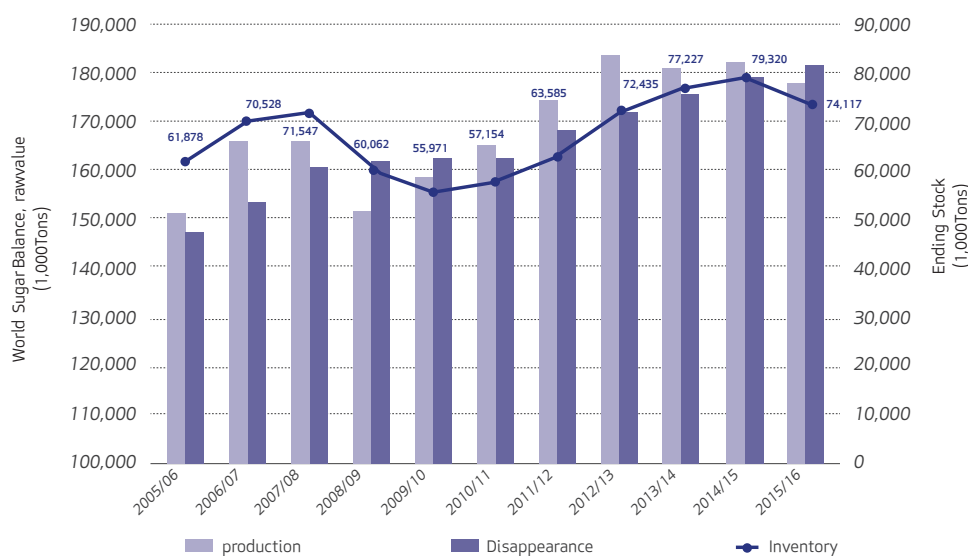
After the company's subsidiary has continuously operated alcohol and chemical production, wastewater from the factory can be mixed with filter cake and bio-decomposed to produce organic fertilizer that is suitable for sugarcane plantation. This completes the corporate value-added product ranges.

Sugar: Market and Competition

International Market and Industry Overview

The world sugar market: In 2014/15 approximately 182.3 million tons of raw sugar was produced worldwide, representing an increase of 1 million tons or 0.5% from the 2013/2014. The world's total consumption demand rose to 179.1 million tons, a 3 million tons increase or about 2% growth compared to that of 2013/14. However, the ending stock increases from 77.2 million tons in 2013/14 to 79.3 million tons in 2014/15. The stock represented 44% of the total demand, or an equivalent of 5 months sugar consumption.

Chart 2.1: World Sugar Balance (1000 Tons, centrifugal sugar, raw value, OCT/SEP)



* Note: 2015/16 is forecasted number

Source: F.O.Lichit, updated 27-10-2015

According to F.O. Licht's forecast on October 27, 2015, the 2015/16 output will decrease by 2.4%, from 182.3 million tons to 177.8 million tons. Consumption will increase by 1.5% from 179.1 million tons to 181.7 million tons. Consequently, the world sugar supply will be short, with ending stock for the year 2015/2016 decreasing from 79.3 million tons to 74.1 million tons. In Asia, it is forecasted that in 2015/2016 demand for sugar within the region will overtake supply, causing a shortage of 18.6 million tons. However, this figure is subject to changed in demand, supply, and many other external factors.

The world price of sugar is affected by the quantity of sugar produced each year, the demand, the existing stock, and uncontrollable changes in climates and government regulations. Climate uncertainties such as flooding, drought, or severe cold in countries where sugar is produced can have a significant impact on the quantity of sugar priced and consequently on the price of sugar sold. Similarly, government regulations regarding sugar export license and sugar import quotas can exert pressure on the price of sugar sold.

For a trend in sugar price can also depends on output quantities from Europe and from major producer countries, such as Brazil, Australia and Thailand. As the largest sugar and ethanol producer in the world, Brazil's production level and sugar-ethanol parity can have a significant impact on world sugar price. When Brazilian producers can gain more profit from selling ethanol, they will convert more cane into ethanol production and less for sugar production and vice versa. Nonetheless, the capability for Brazilian producers to switch production between sugar and ethanol is limited between 40–60% as their factories are not designed to run 100% for either product. Other global economic factors affect world sugar price such as slow economic growth in China, the economic problems in Brazil that cause the devaluation of its currency compared to USD, shifting investing strategies from investment funds, changes in oil prices, and falling commodity prices.

Chart 3: World Sugar Price (NYBOT#11) During Last 10 Years



YEAR	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Max	9.32	11.84	19.30	12.37	15.02	24.64	34.39	35.31	26.50	19.69	18.32	15.92
Average	7.07	9.31	14.83	10.16	11.86	17.26	22.34	26.88	21.58	17.84	16.38	13.11
Min	5.36	8.22	9.75	8.45	9.52	11.38	13.67	20.47	18.54	15.89	13.50	10.39

Unit : cent/lb, Conversion to US\$/Ton by multiplied by 22.0462

Furthermore, export channels of Thai sugar manufacturers are divided into:

- Thai sugar manufacturers sell their sugar through major traders such as Cargill, Tate & Lyle, Kerry, etc. The traders then sell the sugar to other overseas buyers. Risk of failure to collect payments and complications in export management are minimized. Thai sugar manufacturers' only responsibility is to transport their sugar to ports of exports, such as FOB ports of Bangkok and Lamchabang.
- Thai sugar manufacturers export their products to neighboring countries, such as Laos and Cambodia, through borders. A small amount of sugar is sold to vendors at borders.
- Thai sugar manufacturers sell to manufacturers who use sugar in production of their exports. When domestic sugar prices are higher than those in international markets, the export manufacturers who use sugar as a production material lose their competitiveness in the world market. To promote investment in the food industry and competitiveness, the government allows those who manufacture exports to buy sugar at the world' market prices conditionally.

Domestic Marketing and Industry Overview

Domestic sugarcane and sugar industries are governed by Thai Sugarcane and Sugar Industry Act B.E. 2527. Office of the Cane and Sugar Board is in charge of ensuring adequacy of sugar for the domestic demand. Every year the board estimates the domestic sugar consumption amount and determines quotas for sugar factories according to their capacity. Domestic sugar prices are controlled by Goods and Services Act B.E. 2542. Current domestic sugar price are mandated that:

- (1) Prices of regular white sugar purchased at sugar factories do not exceed Baht 1,900 per 100-kilogram sack.
- (2) Prices of refined white sugar purchased at sugar factories do not exceed Baht 2,000 per 100-kilogram sack.
- (3) Wholesale prices of regular white sugar at all domestic wholesale businesses do not exceed Baht 1,965 per 100-kilogram sack, and those of refined white sugar do not exceed Baht 2,065 per 100-kilogram sack.
- (4) Retail prices of regular white sugar at retail businesses in Bangkok, Nonthaburi, Paphumthani, Samutprakarn, and Samutsakorn do not exceed Baht 21.50 per kilogram; and those of refined white sugar do not exceed Baht 22.50 per kilogram. (included VAT).

The price control does not apply to sugar cubes in boxes or packets that do not weigh over 10 grams.

Competition

In 2015, there are 50 operating sugar factories (exclude non-operating and new license sugar factories which is not yet constructed) in Thailand with sugarcane crushing capacity of 106 million tons/year and sugar manufacturing capacity of 11.3 million tons/year (depending on yearly sugarcane amounts in the crushing process and sugarcane quality). The crushing process lasts about 4 – 6 months each year due to small amounts of sugarcane entering the process. It begins in November and ends in April or May. The numbers of sugar factories are under government control. Licenses from Office of the Cane and Sugar Board and Department of Industrial Works, Ministry of Industry, are required for sugar factories in increasing capacity, moving factories, or operating new sugar factories.

In 2015, all 50 sugar factories are opened for operation. Most of these factories are part of the five major groups of sugar manufacturers and only a handful of small manufacturers operate independently. The KSL Group is the 4th largest sugar producer in Thailand, with 8 % market share. It has 5 factories (In 2012, KSL operates 4 factories since the new one just finish construction) located in three regions: the Northeast (2 factories), Central Thailand (2 factories), and the East (1 factory). Table 2.3 shows sales of different types of sugar in the past 3 years as well as ratios of sales in export markets to domestic markets.

Table 2.3: Sales of Different Types of Sugar and Ratio of Domestic Sugar to Total Sugar Sales in the Past 3 Years

Sale Volume & Price	2015			2014			2013		
	Volume Unit	Avg. Price THB/unit	Value M T HB	Volume Unit	Avg. Price THB/unit	Value ล้านบาท	Volume Unit	Avg. Price THB/unit	Value Unit
Sugar	923,267	14,008	12,933	836,701	15,721	13,154	720,318	17,226	12,408
Domestic	209,571	19,592	4,106	177,057	19,887	3,521	192,331	19,935	3,834
Export	713,697	12,368	8,827	659,644	14,603	9,633	527,987	16,239	8,574
% Domestic Sale/ Total Sale	23%			21%			27%		

Sugar: Product and Service Provision

Raw Material Provision Policy

Providing raw materials for manufacturing is a vital process for sugar producers. As the total capacity of the Thai sugar industry exceeds domestic sugarcane produce, all the sugar factories need to ensure that the maximum amount of cane is provided for their production in order to reduce their fixed cost per unit. The main solution employed by most sugar manufacturers is providing financial support to farmers, which is known as the "Geaw" system. Agreements of the sugar producers' advance purchase of sugarcanes from the supported farmers are made, allowing the farmers to apply for loans from the sugar manufacturers. The loans are used for sugarcane cultivation. Harvested sugarcanes, then, are delivered to the factories and the sugarcane costs are deducted from the loans.

The company's strategy is giving long-term benefits as incentives to the sugarcane farmers providing their crops to the corporate factories. This promotes both the growth of the farmers' incomes and the company. The main policy "Prosperity of farmers is prosperity of the factory", especially employed in the northeast, emphasizes creating and promoting a sustainable way to make a living for sugarcane farmers, as well as eliminating middlemen known as "Quota Heads". This effort allows the company to learn about problems experienced by the farmers and provide them suitable assistance. Also, the company provides the farmers equipment, knowledge and production support, such as providing loans for purchasing trucks; giving them filter cakes for making fertilizers free of charge; and providing experts in sugarcane cultivation, and prevention and elimination of crop pests. The support enhances good relationships between the farmers and the company, as well as systematic growth.

Production policy

The company focuses on maximizing the volume of white sugar and refined white sugar manufactured, as the two products have the highest selling prices with the highest profit. It also focuses on the improvement of production efficiency. Production efficiency that is higher than the average of the industry will help reduce unit cost. As a result, the company will be more competitive.

Marketing policy

Due to the fact that sugar prices in domestic consumer markets are controlled by the Government, the company emphasizes direct sale to industries with product quality and on-time delivery promises. Most of the customers are businesses in beverage and confectionary industries.

The company, moreover, emphasizes the sale of its sugar products to food product re-exporters, as it allows the sale of C quota sugar which yields better profit than regular exports while requires lower transport cost.

Environmental effects

The sugar manufacturing process causes wastewater and dust from ash in the steamer's burning process. The company is well aware of such effects and has employed appropriate measures to prevent environmental problems, in compliance with standards issued by Ministry of Industry.

Sugar: Works Not Submitted

– None –

Ethanol : Product Characteristics

Khon Kaen Alcohol Co., Ltd., a subsidiary of Khon Kaen Sugar Industry Public Company Limited, produces and sells ethanol to oil companies. The ethanol is combined with gasoline at 10, 20 and 85 % to produce the final product commonly called gasohol.

Ethanol : Marketing and Competition

Domestic Marketing and Industry Overview

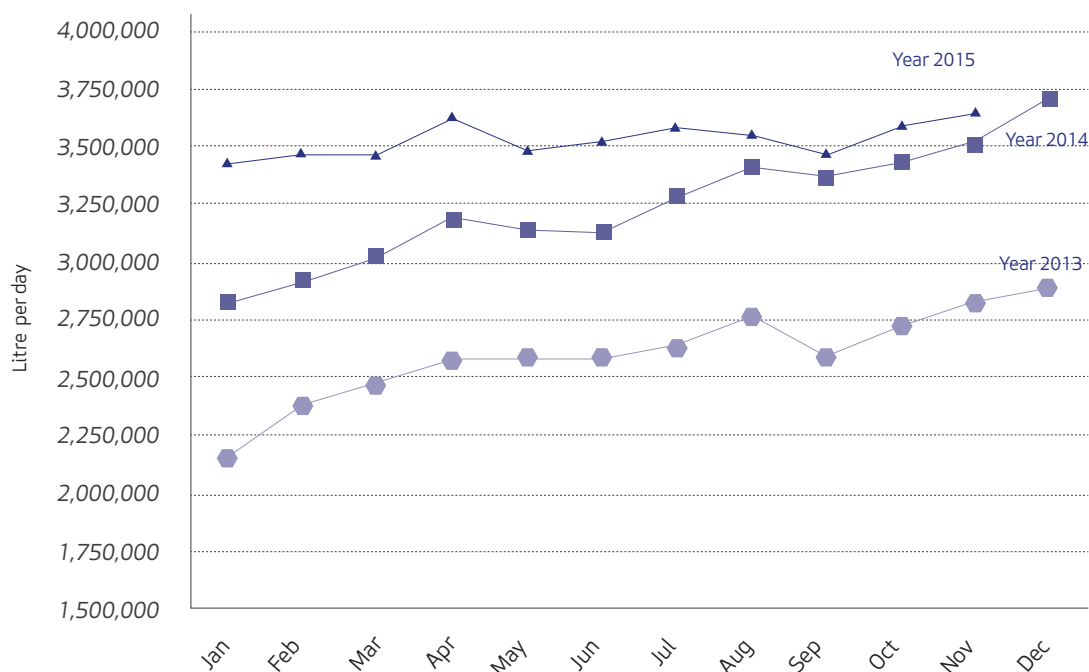
Domestic demand for ethanol depends on the amount of domestic consumption of gasohol that is a mixture of gasoline and ethanol. Gasohol was first introduced for public use in 2006. The blend contains 10 % of ethanol (E 10). In 2008, oil prices exceeded 100 USD per barrel which prompted the Thai government to support the use of gasohol as car fuels through providing tax relief and contributing fund. These factors made the gasohol prices lower than gasoline, as shown in Table 2.4. The promotion of the use of gasohol as an alternative energy source allowed continuous growth for the ethanol market. Currently, average 3.3 million liters of ethanol per day is mixed in gasoline. The amounts of ethanol used to mix with gasoline for gasohol production is shown in Table 2.5.

Table 2.4: Selling Price Structure of Gasohol

THB/Litre	EX	TAXES	OIL FUND(1)	CONSV. FUND	WHOLE SALE+VAT	MARKET MARGIN	VAT	RETAIL PRICE
ULG 95 R	13.77	5.60	6.15	0.25	28.18	2.42	0.17	30.76
GASSOHOL 95 E10	14.98	5.04	0.05	0.25	22.28	1.42	0.10	23.80
GASSOHOL 95 E20	16.09	4.48	-2.40	0.25	20.19	1.17	0.08	21.44
GASSOHOL 91 E10	14.73	5.04	0.01	0.25	21.97	1.32	0.09	23.38
GASSOHOL E85	22.31	0.84	-9.23	0.25	15.25	3.30	0.23	18.79

Source: Energy Policy and Planning Office, Ministry of Energy

Table 2.5: Quantity of Ethanol Used to Mix with Gasoline as Gasohol



Source: Department of Energy Business, Ministry of Energy

International Marketing and Industry Overview

Brazil is the world's major ethanol producer and exporter. Primarily, ethanol is produced from sugarcane. It can be used as fuel for car by mixing with gasoline at the ratio of 20 — 25 % or purely 100 % with specially designed cars. The Brazilian government has a policy to promote the use and manufacture of cars that run with ethanol 100 %. There is a control over the production and demand for ethanol through changing the amount of ethanol content in gasoline.

Competition

In 2014, domestic consumption of ethanol continues to rise as the government ban the sale of normal gasoline (91 Octane). Most petrol station installed gasohol in their premises, which helps smooth this transition. In 2015, domestic consumption of ethanol increases from 2014 because the price of ethanol is cheaper than normal gasoline and consumers are more confident in ethanol as a reliable car fuel. This trend is in line with the government's plan to encourage ethanol consumption up to 9 million liters per day. Although many factories have the capacity to produce ethanol to satisfy demand, some factories do not produce at full capacity because the selling price of ethanol is not attractive relative to their raw material cost. As a result, in 2015, the demand and supply of ethanol is somewhat stagnated. However, for the company, we gain competitive advantage over other ethanol producers as our raw material for ethanol is a by-product that is sourced from our sugar factory. Table 2.6 shows the sales volume and average selling price of ethanol.

Table 2.6 : Sales Volume and Average Selling Price of Ethanol in the Past 3 Years

	2015	2014	2013
Sale Volume (Liters)	97,116,975	91,606,665	104,651,475
Avg. Selling price (Baht/Liter)	25.71	25.92	22.25

Ethanol : Product and Service Provision

Raw material provision policy

The company's ethanol plants purchase the raw material, molasses, from sugar factories of KSL (the holding company) at the market price. A one-year agreement is made in advance. If the KSL factories do not have enough molasses, the raw material is purchased from nearby sugar factories. For more flexible raw material management the company invested in facilities that allow the production of ethanol from cassava flour and other cassava-related products. This is to ensure that there is sufficient raw material and that production cost is manageable. If the world's sugar prices drop, sugarcane juice from the KSL group's sugar factories can be used as raw material in ethanol production.

Production policy

The company minimizes its costs by ensuring economies of scale, flexibility in using cheap raw materials and cost reduction. Expenses are minimized, such as using wastewater in producing organic fertilizer. Corporate resources are shared, such as personnel of sugar factory, or the Group purchasing energy from its own power plant. Leasing molasses storage tanks reduces the cost of investing them. Purchasing molasses at the factories helps save transport costs.

Being able to produce the raw material, molasses, within the group allows the consistency of the quality of the material and more production effectiveness. Contaminants are reduced. Molasses storage tanks are appropriately temperature controlled, allowing highly effective production.

Marketing policy

Ethanol is an industrial product. It is used as a material in producing gasohol. Consistency in quality, standard, and availability are very important. The company ensures that its production meets those requirements by exercising quality assurance. Part of the ethanol produced is stored in tanks for sale during the period when the operation is ceased for annual machinery repair and maintenance.

Environmental effects

The production of ethanol generates wastewater. The company uses the wastewater from ethanol production process to mix with filter cake from the group's sugar factories to make organic fertilizer. The fertilizer is then sold to farmers. Hence, the company is able to minimize its negative impact on the environment.

Ethanol: Works Not Submitted

– None –

Electricity and Steam Product Characteristic

The project has been undertaken by Khon Kaen Sugar Power Plant Co., Ltd who sells electricity and steam to factories within the group as well as selling any excess electricity produced to Electricity Generating Authority of Thailand (EGAT). Currently, the group operates 3 power plant. The first power plant is located near to Khon Kaen Sugar Factory in Nampong district of Khon Kaen province. It can produce up to 65 MW, 20 MW of which is sold to EGAT. The second power plant is located near to New Krunghthai Sugar Factory in BoPloy, Kanchanaburi. It can produce up to 90 MW, 30 MW of which is sold to EGAT. The third power plant is located near to Khon Kaen Sugar Factory in Wangsaphong, Loei province. It has the capacity to produce 40 MW.

Electricity and Steam Market and Competition

The electricity and steam generated is first sold to the KSL Group's plants so that it can be used to produce sugar and ethanol. The excess electricity produced is then sold to to Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA) through advance contract and therefore has limited number of competitor and reliable customer. A 100% of electricity and steam produce is sold domestically.

Table 2.7 Sales Volume and Average Selling Price of Electricity in the Past 3 Years

	2015	2014	2013
Sale Volume (MW-hour)	300,292	324,099	301,136
Agv. selling price (THB/MW-hour)	3,368	3,520	3,416

Electricity and Steam: Product and Service Provision**Raw material provision policy**

Raw material procurement is crucial in operating the electricity generating business. The corporate power plant is mainly fueled by bagasse. Each year, the Group crushed sugarcane fluctuates. A limited amount of crushed sugarcane may affect the fuel amount available for the power plant's electricity generating. Thus, Khon Kaen Sugar Power Plant has prepared purchasing biomass fuel sources, such as bagasse from nearby plants.

Production policy**(1) Cost Management**

The Khon Kaen Sugar Power Plant committed to minimize its production cost. Costs of electricity generating and steam energy production include fuel and depreciation. Fuel efficiency is, hence, crucial. The company also ensures economies of scale to reduce its unit cost.

(2) Improving and Developing Production Effectiveness

The quality of fuel is effectively controlled, as the company uses its own bagasse. Fuel efficiency is ensured by controlling moisture in bagasse using such methods as bagasse dryer system and setting up roofs to protect the material from the rain.

Marketing policy

The long-term agreement between the company and EGAT allows the electricity produced to be priced based on natural gas prices and exchange rates. The sale unit price increases at the time when EGAT's demand for electricity is high. Electricity sold to the companies in the KSL Group is priced at the same rate as that sold to EGAT.

Environmental effects

Extensive Environmental Impact Assessment (EIA) has been carried out. The facilities in Khon Kaen has been registered with CDM Executive Board as a CDM project (under the Kyoto Protocol). The company has the right to sell its carbon credits if and when the UNFCCC officially count and certify the amount of carbon it help reduced.

Electricity & Steam: Works Not Submitted

– None –

RISK FACTORS



Risk factors in the operation

- Risk factors in Raw Material Sourcing – Sugarcane
- Risk from Sugar Price Fluctuation in the World Market
- Risk from Government Policy
- Risk of Bad Debts Arising from Credit Given to Farmers (Advance Credit)
- Exchange Rate Risk
- Risk of having major shareholders controlling the votes of at the Shareholders' meeting
- Risk from the World's Economic and Financial Situations
- Risk from Laos & Cambodia Projects

Significant risk factors in the operation of the sugar business of the company, which may have affect on the return on investment by the shareholders, can be summarized as follows.

1. Risk factors in Raw Material Sourcing – Sugarcane

Khon Kaen Sugar Industry Public Company Limited produces sugar which use sugarcane as raw material. The company has also invested in other related projects, which use by products and wastes generated from the sugar manufacturing process, to create added value. Therefore, the quantity of sugarcane available for crushing is the most important factor affecting the operations of the company.

There are two main reasons that cause fluctuations in the quantity of sugarcane, viz. (1) changes in the acreage under sugarcane plantation which may depend on the price agreed for the cane and whether it is worthwhile for the farmers to grow sugarcane compared to other agricultural crops as well as the promotional policies of the Government and (2) changes in the yield of sugarcane (ton(s) of cane per rai) which may occur due to climate change conditions, such as drought and flood, caused by global warming.

When the quantity of sugarcane crushed reduces, the effect on the company is that the quantity of sugar produced goes down, the unit cost, especially the fixed cost per unit, goes up, the profit per unit reduces and the company's overall profit is reduced. In addition, in those years when the sugarcane crushed is low, there is increased competition among sugar factories to purchase the sugar cane locating in the neighborhood area. Therefore, in order to protect their crushing quantities, sugar factories have to vie by paying more than the price, established by revenue sharing system. This increases the overall raw material cost for the company.

Thailand is one of the world's leading sugar exporters and is the leading sugar supplier to the Asian region. Decreased amounts of cane crushed in Thailand result in lower sugar quantities available for exportation. Export prices, consequently, increase. Such increase relieves the impact of decreased quantities of cane crushed and burden of increased costs. The company, furthermore, values stability of sugarcane supplies. To ensure the sustained supplies, the company offers assistance to sugarcane farmers, such as loans for planting sugarcane crop, support in procuring inputs for farming, providing irrigation systems, introducing technology to increase yields and efficiency in cultivation, and reducing the influence of middle men in sugarcane sales and purchase deals. All the assistance is provided for the farmers in an attempt to help them improve their lives.

2. Risk from Sugar Price Fluctuation in the World Market

While considering sugar trade in the world markets, it can be said that sugar has high price fluctuations when compared with other agricultural products. The world sugar prices depend on several factors, such as demand and supply of countries that are producers, consumers, exporters and importers. Traders' speculations are in relation to climatic conditions facilitating cultivation in each of the respective countries. Government policies on promoting, interfering, exporting and importing sugar, particularly in developed countries also determine pricing in the industry. At present, sugar prices are also interrelated to oil prices. Both sugarcane and molasses can be used to produce a type of alcohol called ethanol. Ethanol can be blended with gasoline to produce fuel. All the above factors cause high fluctuations in the world sugar prices.

Generally, sugar companies in Thailand are bound to meet the domestic demand first. The balance sugar can be exported. Every year, the Office of the Cane and Sugar Board estimates the quantity of domestic demand for sugar, called Quota A, and allocates this Quota to all the sugar factories based on their respective sugar production. The ratio of domestic sales to exports of all sugar factories is therefore quite similar, usually in the range of 30:70 to 40:60 depending on the sugarcane available for crushing all over the country. The sales of the sugar industry fluctuate according to world sugar prices in the 65 - 75% range. However, regarding on the cost of production, the cane price is the major cost, calculated by the formula based on the revenue sharing system 70:30. This means that when the sugar price has decreased 100%, the farmer should get the 70% impact in term of lower sugar cane price and the sugar factory should get 30% impact.

During the past 3-4 years, the world sugar price was very volatile. It can be seen from the average future price around 15 cents/lb surged to be around 32 cents/lb and it used to be trade at 25, 20, and 15 cent/lb. Sugar price has fallen to its lowest at 10-11 cent/lb in the second half of 2015. At now at the beginning of 2016, the price has bounced back to 14-15 cent/lbs. With severe price fluctuations, if the company were not able to establish a selling price that was higher than the price level for setting cane prices, the corporate operating results would have been severely affected. To prevent the risk posed by sugar price volatility in the world market, the company entered into a sugar futures contract with a financial institution. The risk hedging procedure would allow the company to minimize the dependency of its profitability on the risk posed by sugar price volatility. However, this could affect profit and loss account recording, and there was a risk that the amount hedged through the sugar futures contract could exceed the actual volume of sugar exported. This oversold condition could result in a loss.

Previously, the fluctuations in the world sugar price had a strong influence in the company's operations and profitability as it focused its businesses mainly on sugar and molasses. Since the company invested in other related industries such as ethanol, organic-fertilizer, and power plant, the risks it faced from sugar price fluctuations is drastically reduced and allow the company to operate in businesses that are more profitable and less dependent on world market price.

3. Risk from Government Policy

The sugarcane and sugar industry in Thailand is under the supervision and control of the Office of the Cane and Sugar Board under the Cane and Sugar Act 1984. The Board regulates the amount of sugar produced by a quota system (Quota A for domestic sales, Quota B and C for sugar exports), controls the domestic price, regulates on the ratio of distribution of revenue from the sugar business between the farmers and sugar factories, with the revenues sharing in the ratio of 70:30, controls on the entry of new players in the sugar business etc. It is evident that the rules and regulations enacted by the Cane and Sugar Board have an impact on the production costs and the operations of the company. For example, the revenues sharing system 70:30 ratio determines the sugar cane price which the sugar factories must pay to the farmers. In case, changes in the domestic sugar prices or changes in regulation of entire sugar industry, it will have a definite impact on the operations of the company.

Other overall Government policies also have an impact on the company's business. For example, the decision to promote the renewable energy, such as ethanol, has secured the domestic sale volume. The policy to promote the planting of oil palm trees or price guarantees for cassava have negative impact on the company since the area under sugar cane plantation will reduce and farmers will switch to growing alternative crops with better returns.

The Company realizes the importance of government policies in shaping directions of cane and sugar industry. Hence, it has collaborated with three sugar factories associations and associations of sugarcane farmers to enhance the government understanding of cane and sugar industry and its significance. The industry is a precursor of the food and processed food industries. Ethanol derived from sugar production can be used as fuel energy. Ethanol is a pure alcohol that can also be used as a starting point for production of other chemicals. Exporting sugar brings in foreign income and almost does not require import costs and expenses. This differentiates the sugar industry from other industries.

Sugarcane is Thailand's important economic crop in which every part of it can be utilized. Communication, explanation and understanding between the government and the sugar industry can reduce the risk potentially posed by government policies affecting directions of sugarcane and sugar industries.

4. Risk of Bad Debts Arising from Credit Given to Farmers (Advance Credit)

In the running of a sugar factory, the factories extend loans or other kinds of financial support to sugarcane farmers as working capital to plant sugarcane crop, or what is called "sugarcane credit", thereby reserving the sugarcane for crushing. After the sugarcane crop is ready for harvesting and the sugar factories are ready to start crushing the cane, the farmers harvest the cane and send it to the sugar factories and receive payment for the value of the cane supplied after the loans advanced and other financial support given is deducted. The risks that are generated from such sugarcane credit can come from reduced production in any year due to drought conditions, losses from crop disease and pestilence, farmers refusing to send the cane to the sugar factories etc. Such liabilities, arising from sugarcane credit, can adversely affect the company's operations requiring higher amounts of provisioning for bad debts.

However, by track record, level of bad debt is low because the company not only concerns the above risk factors but also improves in the sugarcane credit system. The company has bought a satellite monitoring system (Global Positioning System – GPS) to survey the sugarcane plantation areas, which helps in reducing the problems of ownership of sugarcane fields. The system is also used to plan for sourcing more sugarcane. The company also encourages farmers to deposit assets as collateral for the loans advanced. All this has resulted in the company having a low bad debt situation at present and the major debts are adequately covered with the pledged assets.

5. Exchange Rate Risk

The volatility of exchange rate poses a significant risk to the company's operation. The company exports about 70–80% of its total sugar sales. The company also imports tools and machinery, and conduct operations in neighboring country. The company tries to reduce its exchange rate risks by making currency forward contracts. The company has natural hedging mechanism under the 70:30 revenue sharing scheme that links the sugar price (revenue) and cane price (cost) together, thus making both prices move in the same direction and exposing both to the same exchange rate fluctuation. Moreover, the company closely monitors exchange rate fluctuation to be able to react to changes in a timely manner.

6. Risk of having major shareholders controlling the votes of at the Shareholders' meeting

The Chinthammit and his company hold more than 60% of total paid up share capital of the company. Therefore, the Chinthammit Group and his company can control all the proceedings of the shareholders meetings whether it is the appointment of Directors or whether it is to seek approvals on other matters that require majority votes, except for special agendas which, by law or by the articles of association of the company, require 75% vote in shareholders' meetings. Therefore, it is difficult for other shareholders to collect enough votes to investigate or counterbalance the issues raised by the majority shareholders.

However, for the company's transparency and power balancing, the company has appointed 4 independent committee members for checking the operations of the company. Thus, power balancing for operation in the company is reasonable. In addition, the company also has also set up an independent internal control team which reports directly to the audit committee.

7. Risk from the World's Economic and Financial Situations

The EU financial crises and oil price collapse caused a lot of problems for oil producers and negatively affected economies worldwide. Natural disasters and terrorist attacks also add more pressure to the world's economy. There is no guarantee that these issues and similar circumstances in the future will not affect our businesses, the world's sugar prices and/or ethanol price. The lack of liquidity among financial institutions may also affect the Group's sources of loans and financing costs.

KSL has implemented its financial policies well. Its D/E has been at an appropriate level. The company has maintained good relationships with all the banks that are long-term corporate business partners. All the corporate businesses will be handled carefully in order to minimize the future probable effect of the world's financial and economic conditions on the company.

8. Risk from Laos & Cambodia Projects

The projects in both countries are part of the first offshore sugar business in which the company is granted the concession area for cane plantation from the government and permitted to construct sugar factories. But land condition in concession area has low quality, lack of technology for large plantation, lack of infrastructure and human resources therefore the projects take longer time for develop than the first plan. Consequently the productions still not reach break-even point and in 2015 both projects had loss. However the company has witnessed and solved various problems throughout the years. The company hired consultants to develop not only planting technology but also management system to control budget. Moreover the company provides loan to local farmers and suppliers to expand more plantation. After continuously developing infrastructures and land condition in the past, the projects show improvement and potential for good return on investment in the future. Additionally, there are risks associated with doing projects abroad which extend beyond agricultural risks relating to cane growing and sugar production and include risks from political turmoil and instability, local community dispute, and different law and regulations that often changes and are somewhat ambiguous. The company is aware of these risks and is trying to manage it efficiently and appropriately.

MANAGEMENT AND SHAREHOLDING STRUCTURE



Securities

As of October 31, 2015, the Company's registered capital is THB 2,004,656,261 million, of which there is 4,009,312,522 shares at par value of THB 0.50.

Shareholders

On October 31, 2015, the top 10 major shareholders of the company in the past 3 years are as follow: (In 2013/2014, calculation excluded treasury stock)

As of Oct 31,2013				As of Oct 31,2014				As of Oct 31,2015			
Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total
1.	KSL Sugar Holding Company Limited	550,000,000	32.92	1.	KSL Sugar Holding Company Limited	553,958,700	33.16	1.	KSL Sugar Holding Company Limited	1,330,924,480	33.20
2.	Thai NVDR Company Limited	47,913,478	2.87	2.	Thai NVDR Company Limited	46,999,502	2.81	2.	Mr. Chanachai Chutimavoraphand	104,868,636	2.62
3.	Mr.Chanachai Chutimavoraphand	44,363,465	2.66	3.	Mr.Chanachai Chutimavoraphand	43,695,265	2.62	3.	Thai NVDR Company Limited	100,341,922	2.50
4.	CREDIT SUISSE AG, SINGAPORE BRANCH	38,502,900	2.30	4.	CREDIT SUISSE AG, SINGAPORE BRANCH	38,409,400	2.30	4.	CREDIT SUISSE AG, SINGAPORE BRANCH	91,150,560	2.27
5.	Ms.Duangdao Chinthammit	37,720,089	2.26	5.	Ms.Duangdao Chinthammit	37,720,089	2.26	5.	Ms. Duangkae Chinthammit	90,621,494	2.26
6.	Ms.Duangkae Chinthammit	37,595,956	2.25	6.	Ms.Duangkae Chinthammit	37,698,956	2.25	6.	Ms. Duangdao Chinthammit	90,545,413	2.26
7.	Mr.Somchai Chinthammit	36,449,139	2.18	7.	Mr.Kamondanai Chinthammit	37,261,070	2.23	7.	Mr. Kamondanai Chinthammit	89,954,008	2.24
8.	Mr.Kamondanai Chinthammit	36,038,870	2.16	8.	Mr.Somchai Chinthammit	36,449,139	2.18	8.	Mr. Somchai Chinthammit	87,477,933	2.18
9.	Mr.Piripon Chinthammit	35,057,870	2.10	9.	Mr.Piripon Chinthammit	35,093,570	1.97	9.	Mr. Piripon Chinthammit	84,224,568	2.10
10.	Chinnakij Company Limited	32,901,000	1.97	10.	Chinnakij Company Limited	32,901,000	1.97	10.	Mr. Chamroon Chinthammit	79,672,274	1.99
	Total for Top ten major shareholders	896,542,767	53.67		Total for Top ten major shareholders	900,186,691	53.89		Total for Top ten major shareholders	2,149,781,288	53.62
11.	Others	774,004,117	46.33	11.	Others	770,360,193	46.11	11.	Others	1,859,531,119	46.38
	Total paid-up registered capital	1,670,546,884	100.00		Total paid-up registered capital	1,670,546,884	100.00		Total paid-up registered capital	4,009,312,407	100.00

Chinnakij Co., Ltd. is owned by the Chinthammit family. The family members hold most of the shares. None of the shareholders holds shares more than 30 % of the authorized share capital.

The registered capital and paid up capital of KSL SUGAR HOLDING COMPANY LIMITED consists of 100 million shares at par value of THB 10.00 per share or THB 1,000 million.

On October 31, 2015, the top 10 major shareholders in company's shareholder record are as followings:

As of Oct 31,2013				As of Oct 31,2014				As of Oct 31,2015			
Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total
1.	Ms.Nareerat Chinthammit	12,105,268	12.11	1.	Ms.Nareerat Chinthammit	12,105,268	12.11	1.	Ms.Nareerat Chinthammit	12,105,268	12.11
2.	Ms.Duangdao Chinthammit	7,847,944	7.85	2.	Ms.Duangdao Chinthammit	7,847,944	7.85	2.	Ms.Duangdao Chinthammit	7,847,944	7.85
3.	Ms.Duangkae Chinthammit	7,764,650	7.76	3.	Ms.Duangkae Chinthammit	7,764,650	7.76	3.	Ms.Duangkae Chinthammit	7,764,650	7.76
4.	Mr.Chanachai Chutimavoraphand	6,971,788	6.97	4.	Mr.Chanachai Chutimavoraphand	6,971,788	6.97	4.	Mr.Chanachai Chutimavoraphand	6,971,788	6.97
5.	Mr.Chamroon Chinthammit	5,370,580	5.37	5.	Mr.Chamroon Chinthammit	5,370,580	5.37	5.	Mr.Chamroon Chinthammit	5,370,580	5.37
6.	Mr.Somchai Chinthammit	5,169,890	5.17	6.	Mr.Somchai Chinthammit	5,169,890	5.17	6.	Mr.Somchai Chinthammit	5,169,890	5.17
7.	Mr.Sarun Chinthammit	4,246,828	4.25	7.	Mr.Sarun Chinthammit	4,246,828	4.25	7.	Mr.Sarun Chinthammit	4,246,828	4.25
8.	Mr.Kamondanai Chinthammit	2,906,000	2.91	8.	Mr.Kamondanai Chinthammit	2,906,000	2.91	8.	Mr.Kamondanai Chinthammit	2,906,000	2.91
9.	Mr.Piripon Chinthammit	2,906,000	2.91	9.	Mr.Piripon Chinthammit	2,906,000	2.91	9.	Mr.Piripon Chinthammit	2,906,000	2.91
10.	Ms.Yaovanuth Dejvitak	2,900,000	2.90	10.	Ms.Yaovanuth Dejvitak	2,900,000	2.90	10.	Ms.Yaovanuth Dejvitak	2,900,000	2.90
	Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90		Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90		Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90
	Total for Top ten major shareholders	61,088,948	61.09		Total for Top ten major shareholders	61,088,948	61.09		Total for Top ten major shareholders	61,088,948	61.09
11.	Others	38,911,052	38.91	11.	Others	38,911,052	38.91	11.	Others	38,911,052	38.91
	Total paid-up paid-up registered	100,000,000	100.00		Total paid-up paid-up registered	100,000,000	100.00		Total paid-up paid-up registered	100,000,000	100.00

Dividend Payment Policy

The company pays dividends at a rate of not less than 50 % of its net income after tax and legal reserves of separate financial statement if there is no necessity for the use of the money, and if the dividend payment does not have an adverse effect on corporate operations significantly. Factors that are considered include corporate operation results, financial position, liquidity, and business expansion plans. The dividend payment requires approval from corporate shareholders and/or the Board of Directors. Dividend payment of the subsidiaries and associates to Khon Kaen Sugar Industry Public Company depends on their cash flow, liquidity, suitability, and necessity for the use of the money. No minimum rate is specified.

Dividend Payment Record

	2015	2014	2013
1. CASH (THB per SHARE)	0.50	0.35	0.0811111111
2. DIVIDEND STOCK (THB per SHARE)	-	-	0.10

Board of Directors

As of October 31, 2015, the Company's Board of Directors comprises of:

1.	Mr. Manu	Leopairote	Chairman and Independent Director
2.	Mr. Chamroon	Chinthammit	Director
3.	Mr. Prapas	Chutimavoraphand	Director
4.	Mr. Pornsin	Thaemsirichai	Director
5.	Mr. Sukhum	Tokaranyaset	Director
6.	Mr. Thawatchai	Rojanachotikul	Director
7.	Mrs. Intira	Sukhanindr	Director
8.	Ms. Duangdao	Chinthammit	Director
9.	Mr. Somchai	Chinthammit	Director
10.	Ms. Duangkae	Chinthammit	Director
11.	Mr. Chalush	Chinthammit	Director
12.	Mr. Chatri	Chinthammit	Director
13.	Mr. Somchat	Chinthammit	Director

14. Mr. Tachpong	Pakornsiriwongse	Director
15. Mr. Pramoon	Vichiensin	Independent Director
16. Pol. Gen. Boonpen Bumpenboon		Independent Director
17. Mr. Sitti	Leelakasamelurk	Independent Director
18. Mr. Karun	Kittisataporn	Independent Director
19. Mr. Worapatr	Todhanakasem	Independent Director
20. Ms. Nongluck	Phinainitisart	Independent Director
21. Mr. Trakarn	Chunharojrit	Director

The Executives

As of 31 October 2015, the corporate top executives include:

1. Mr. Chamroon	Chinhammit	Chief Executive Officer and President
2. Mr. Prapas C	hutimavoraphand	Senior Vice President – Administration
3. Mr. Pornsin	Thaemsirichai	Senior Vice President – Production & Technique
4. Mr. Sukhum	Tokaranyaset	Senior Vice President – Accounting & Finance
5. Mr. Thawatchai	Rojanachotikul	Senior Vice President – Administration
6. Ms. Intira	Sukhanindr	Senior Vice President – Business Development
7. Ms. Duangdao	Chinhammit	Vice President – Human Resource
8. Mr. Chalush	Chinhammit	Vice President – Raw Material Supply
9. Mr. Chanachai	Chutimavoraphand	Vice President – Accounting & Finance
10. Mr. Theera	Sanguandeekul	Vice President – Office of President
11. Mr. Dhajjai	Subhapholsiri	Company Secretary/ Vice President – Office of Company Secretary and Legal

Scope of Duties and Responsibilities of Chief Executive Officer and President :

1. Decide on important matters related to the Company. Determine the corporate missions, objectives, guidelines, and policies. Supervise the overall work. Be responsible for the Board of Directors.
2. Have the power to employ, appoint, and transfer personnel as necessary and appropriate to be the management or staff members for corporate operations. Define appropriate functions, responsibilities, and remunerations of employees. Have the power to dismiss, lay off, and discharge employees as appropriate.
3. Have the power to determine business terms and conditions, such as credit limits, payment terms, trade agreements, and trade term changes.
4. Have the power to act and appear as a corporate representative to outsiders regarding affairs related and advantages to the Company.
5. Approve the appointment of advisors needed in the corporate operations.
6. Deal with affairs concerning the Company's general operations.

The functions and responsibilities of CEO & President shall comply with legislation and the Company's regulations. The approval of CEO & President does not apply to approval of transactions that would allow CEO and President and related persons to have interest or cause conflict of interests affecting the Company and its subsidiaries.

A summary of approved financial amounts of transactions according to the Company's authorization manual

Approved Financial Amounts for Important Transactions	BOD	EXB	PSD
1 Approval of Annual Budget	More than THB 500 Million	Not over THB 500 Million	Not over THB 100 Million
2. Approval of Changing/Increasing of Annual Budget or Investment Budget	More than THB 100 Million	More than THB 100 Million	Not over THB 100 Million

Note : (1) The power to approve the financial amounts mentioned is governed by legislation and regulations of the company, the Stock Exchange of Thailand and Securities, and Exchange Commission.

(2) BOD : Board of Director, EXC : Executive Board, PSD : President and CEO Number of Meeting Attended by Directors

Number of Meeting Attended

No.	Name-Surname	Position	Board of Directors		Executive Board		Audit Committee		Nomination & Remuneration Committee		Risk Management Committee		Corporate Governance Committee	
			Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total
1.	Mr.Manu Leopaiprote	Chairman	7	7										
2.	Mr.Chamroon Chinthammit	Executive Director	7	7	12	12								
3.	Mr.Prapas Chutimavoraphand	Executive Director	7	7	12	12								
4.	Mr.Pornsin Thaemsirichai	Executive Director	7	7	12	12								
5.	Mr.Somchai Chinthammit	Executive Director	7	7	12	12								
6.	Mr.Trakarn Chunharojit	Executive Director	7	7	12	12								
7.	Ms.Duangkae Chinthammit	Executive Director	7	7	12	12								
8.	Ms.Duangdao Chinthammit	Executive Director/ Nomination & Remuneration Committee	7	7	12	12			2	2				
9.	Mr.Tachpong Pakornsiriwongse	Director	7	7	11	12								
10.	Mr.Chattri Chinthammit	Director	7	7										
11.	Mr.Chalush Chinthammit	Executive Director/ Risk Management Committee	7	7	11	12					3		4	
12.	Mr.Sukhum Tokaranyaset	Executive Director	7	7	12	12								
13.	Mr.Thawatchai Rojanachotikul	Executive Director	7	7	12	12								
14.	Mr.Somchat Chinthammit	Independent Director/ Chairman of Nomination & Remuneration Committee	6	7					2	2				
15.	Mr.Pramoon Vichiensin	Independent Director/ Chairman of Nomination & Remuneration Committee	6	7					2	2				
16.	Pol.Gen.Boonpen Bumpenboon	Independent Director/ Chairman of the Risk Management Committee/ CG Committee	6	7							4	4	2	3
17.	Mr.Sitti Leelakasamelek I	Independent Director/ Chairman of the Audit Committee/ Risk Management Committee	7	7			4	4			4	4		
18.	Mr.Karun Kittisataporn	Independent Director/ Audit Committee/ Nomination & Remuneration Committee/ CG Committee	7	7			3	4	2	2			3	3
19.	Mr.Warapatr Todhanakasem	Independent Director/ Risk Management Committee/ Chairman of the CG Committee	6	7			4	4			3	4	3	3
20.	Ms.Nongluck Phinainitisart	Independent Director/ Audit Committee/ CG Committee	7	7			2	4					3	3
21.	Mrs.Intira Sukhanindr	Executive Director	7	7	12	12								

Directors' and Executives' remuneration

1. Directors' Remuneration

The board of directors determines clear policies and guidelines for payment of directors' remunerations. For transparency, the remunerations are proposed to the shareholders' meeting annually for approval. They are adequate and motivational so that the company is able to keep highly qualified directors. Directors serving in committees receive appropriate remunerations based on their duties and responsibilities for those committees. Remunerations are divided into 3 parts:

- 1) Regular remunerations are paid monthly to directors.
- 2) Meeting remunerations are paid for directors who attend a board meeting.
- 3) Annual extra remunerations are paid for directors in accordance with the corporate annual operating results.

2. Managing Director's Remuneration

Currently, the company is considering criteria for determining the managing director's remuneration corresponding with operating results, corporate size, and amounts offered by businesses operating in the same industry. The remuneration is a motive for the managing director's developing the company's continuous and sustainable growth.

3. Directors' Remuneration

The Company has specified remuneration for its directors with approval from the shareholder meeting on February 27, 2015 as follows:

	Not Exceeding The amount of THB per year	
1. Remuneration for Chairman of Board of Directors	540,000	THB
2. Remuneration for Chairman of Audit Committee	540,000	THB
3. Remuneration for 19 directors	8,550,000	THB
THB 25,000 / person / month + bonus		
4. Meeting allowances for members in audit committee, nomination and remuneration committee, risk management committee, corporate governance committee who attend the meeting	Chairman of the Committee THB 6,000 and meeting	
Each director THB 5,000 and meeting		

** Noted: the directors' remunerations do not include the remunerations from subsidiary companies.*

4. Remunerations for the Management

Remunerations for the Management are in line with the Company's procedures and policies, and in relation to corporate operation results and each individual's performance. Amounts of the remunerations are motivational and enable the company to achieve loyalty among the competent Management.

Remuneration To Directors and Executives

1. Remuneration Paid to Board of Directors and Executive Directors in 2014

No.	Name of Directors	Position in Board of Directors	THB in Year 2014 Remuneration				THB in Year 2013 Remuneration			
			Yearly Salary	Bonus	Meeting Allowance	Total (THB)	Yearly Salary	Bonus	Meeting Allowance	Total (THB)
1.	Mr.Manu Leoparote	Chairman	360,000.00	120,000.00	-	480,000.00	360,000.00	120,000.00	-	480,000.00
2.	Mr.Chamroon Chinthammit	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	100,000.00	6,000.00	406,000.00
3.	Mr.Prapas Chutimavoraphand	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	100,000.00	6,000.00	406,000.00
4.	Mr.Pornsini Thaemsirichai	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	100,000.00	5,000.00	405,000.00
5.	Mr.Somchai Chinthammit	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	100,000.00	5,500.00	405,500.00
6.	Ms.Duangkae Chinthammit	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	100,000.00	6,000.00	406,000.00
7.	Ms.Duangdao Chinthammit	Executive Director/ Nomination & Remuneration Committee	300,000.00	100,000.00	17,000.00	417,000.00	300,000.00	100,000.00	16,000.00	416,000.00
8.	Mr.Tachpong Pakornsiriwongse	Director	300,000.00	100,000.00	5,500.00	405,500.00	300,000.00	100,000.00	5,500.00	405,500.00
9.	Mr.Trakarn Chunharajit	Executive Director	300,000.00	100,000.00	6,000.00	406,500.00	300,000.00	100,000.00	5,500.00	405,500.00
10.	Mr.Chatri Chinthammit	Director	300,000.00	100,000.00	-	400,000.00	300,000.00	100,000.00	-	400,000.00
11.	Mr.Chalush Chinthammit	Executive Director/ Risk Management Committee	300,000.00	100,000.00	21,500.00	421,500.00	300,000.00	100,000.00	20,500.00	420,500.00
12.	Mr.Sukhum Tokaranyaset	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	100,000.00	6,000.00	406,000.00
13.	Mr.Thawatchai Rojanachotikul	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	100,000.00	6,000.00	406,000.00
14.	Mr.Somchat Chinthammit	Independent Director/ Nomination & Remuneration Committee	300,000.00	100,000.00	11,000.00	411,000.00	300,000.00	100,000.00	5,000.00	405,000.00
15.	Mr.Pramoon Vichiensin	Independent Director/ Chairman of Nomination & Remuneration Committee	300,000.00	100,000.00	13,200.00	413,200.00	300,000.00	100,000.00	12,000.00	412,000.00
16.	Pol.Gen.Boonpen Bumpenboon	Independent Director/ Chairman of the Risk Management Committee/ CG Committee	300,000.00	100,000.00	38,400.00	438,400.00	300,000.00	100,000.00	28,000.00	428,000.00
17.	Mr.Sitti Leelakasamelek	Independent Director/ Chairman of the Audit Committee/ Risk Management Committee	360,000.00	120,000.00	48,400.00	528,400.00	360,000.00	120,000.00	33,000.00	513,000.00
18.	Mr.Karun Kittisataporn	Independent Director/ Audit Committee/ Nomination & Remuneration Committee/ CG Committee	300,000.00	100,000.00	45,000.00	445,000.00	300,000.00	100,000.00	35,000.00	435,000.00
19.	Mr.Warapatr Todhanakasem	Independent Director/ Audit Committee/ Chairman of the CG Committee	300,000.00	100,000.00	60,600.00	460,600.00	300,000.00	100,000.00	27,000.00	427,000.00
20.	Ms.Nongluck Phinainitisart	Independent Director/ Audit Committee/ CG Committee	300,000.00	100,000.00	29,000.00	429,000.00	300,000.00	100,000.00	25,000.00	425,000.00
21.	Mrs.Intira Sukhanindr	Executive Director	300,000.00	100,000.00	6,000.00	406,000.00	300,000.00	100,000.00	6,000.00	406,000.00
Total			6,420,000.00	2,140,000.00	343,600.00	8,903,600.00	6,420,000.00	2,140,000.00	259,000.00	8,819,000.00

* Note : the directors' remunerations do not include the remunerations from subsidiary companies.

2. Remuneration for executives in the past year:

Remunerations for 11 executives (listed as corporate top executives) include salaries, bonuses and allowances amounted to THB 43.60 million.

Other Remunerations

-None-

Directorships and Executive Development

The company has provided training and human resources development programs for all of its personnel through internal and external training. It allows the board to participate in its operations and ventures. Corporate directors and executives have participated in training courses organized by accredited institutions, such as Chairman Program, Director Accreditation Program (DAP), and Director Certification Program (DCP) provided by Thai Institute of Directors (IOD), also basic courses for the audit committee, courses offered by the Stock Exchange of Thailand, and cutting-edge management courses offered by other professional institutions. In 2015, some directors and executives have participated in training courses, for example, Ms. Duangdao Chinthammit (Director and Vice President) – Advanced Compensation Management Program, Mr. Chalush Chinthammit (Director and Vice President) Thailand Energy Academy for Executive (TEA 6), Mr. Sinchai Siriratanapolkul (Assistance Vice President) – Anti Corruption : The Practical Guide

New directors are required to complete training and orientation providing important knowledge and skills that are crucial for their directorships. Once there are business expansions or new ventures, the company invites corporate directors to visit the sites and monitor the progress regularly.

Succession Plans

The Board of Directors realizes that succession plans become necessary in case the managing director or top executives are not able to work. To ensure readiness for the circumstance, the Company has prepared its human resources to be able to take on different responsibilities assigned in order to appropriately cover for their colleagues or fulfill their new positions. Executives are given opportunities to learn about the work outside their fields. This is to enable them to fill in assignments for their colleagues who are unable to take on the responsibilities. The board of directors has assigned the nomination and remuneration committee to research and coordinate with accredited consulting firms and professional institutions during development and revision of succession plans.

Supervision of Use of Inside Information

The company prohibits its directors and the Management from using inside information concerning important matters including trading of securities, information before publication for personal gains and/or that of others. Preventive measures against the use of inside information are as follows:

1. The company informs executives about their obligation to disclose security holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to the Securities and Exchange Act B.E. 2535, article 59 and statutory penalty, article 275.
2. Circular notices are sent to directors and executives advising those who receive important inside information that affects prices of securities shall not trade corporate securities within that one month and not disclose the important inside information before the corporate financial statements or the particular information is publicized.
3. Should there be any changes in security holdings of the company's directors and executives, the changes must be reported to the board of directors in security holdings matter on the agenda.
4. Important inside information and confidential documents saved as hard copies or soft files are protected and access is limited to top executives only when necessary. If any inside information needs to be disclosed to corporate employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses corporate confidential information will be penalized.
5. To monitor irregularity in corporate operating results, random examination is done to security trade, the company's information system and outside information sources.

Personnel

Information concerning the company's personnel as of October 31, 2015 is as follows:

	Consolidated		Parent company	
	2015	2014	2015	2014
Average Number of Employees (Persons)				
During Production Season	6,862	6,694	2,264	2,158
During Normal Period	5,166	5,280	1,725	1,704
Expenses related to employees (Million THB)	1,608.86	1,508.47	558.35	522.22

As of 31 October 2015, the company had no significant labor disputes that may have a potential negative impact on its operations.

Personnel Development Policy

The company has always valued its human resources. Policies on continuous training and human resource management have been established. The aims are to help employees reach their potential, ensure effectiveness at work, and allow them to grow in their fields. All employees are required to receive training that is in line with the company's direction and strategies. Training is well planned and always financially supported by the company which are held in the company and outside by other institutions. Also, the Company encourages the communication to transfer and share knowledge between employees in the organization (Knowledge Management).

In addition, the company has focused on developing better quality of life of employees. Also, the company has focused more on developing employees' knowledge and understanding about health and environmental safety in the workplace.

CORPORATE GOVERNANCE

Policy of Corporate Governance

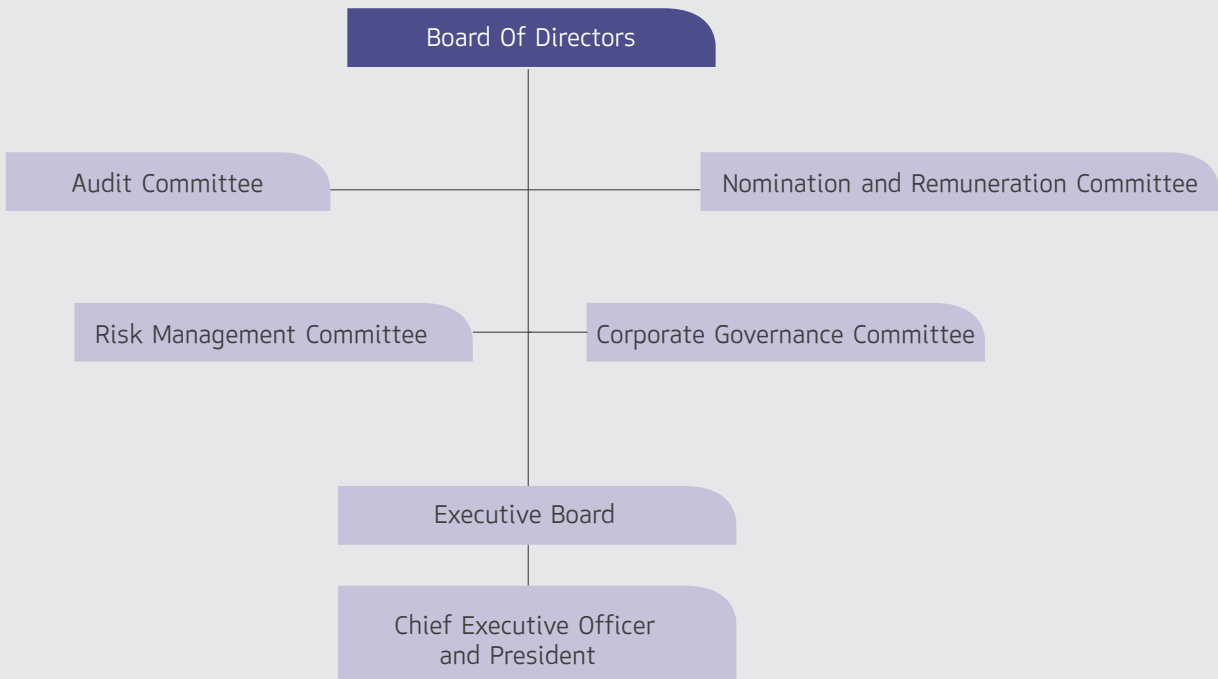
The Board of Directors deems it suitable to revise the Corporate Governance Policy, at its Meeting No. 3/2558 on 26th June 2015. The Company set the policy of Corporate Governance in 7 Chapters as follows: 1. Rights of shareholders, 2. Equitable treatment of shareholders, 3. Role of stakeholders, 4. Disclosure and transparency, 5. Role and Responsibilities of the Board of Directors (which include organization structure, qualification and structure of the Board of Directors and other committees such as the Board of Executive Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance Committee; this policy covers the board meetings, board self-assessment, and remuneration for directors and executives as well), 6. Anti-Corruption, and 7. Reporting Information on Misconduct and Fraudulent Activities.

Anti-Corruption Process

On 26 September 2014 the Chairman of the Board of Directors had signed a letter of intent and acknowledged the commitment terms set by the Private Sector Collective Action Coalition Against Corruption group that seeks to deter all types of corruption activities within the private sector. At the moment, the Company is in the process of improving its manual, documents, and work processes to the alignment of the said commitment terms and its self-assessment guideline. The Company will submit its improvements to the Private Sector Collective Action Coalition Against Corruption Council (CAC) for further consideration and endorsement.

For the purpose of preparing required documentation and references to gain membership to the Private Sector Collective Action Coalition as prescribed by the Private Sector Collective Action Coalition Against Corruption Council (CAC), the Company has hired a specialist consultant for this task and estimated that membership application can be submitted before the Q4 of 2016.

Organization Structure



Board of Directors

As of October 31, 2015, the Company's Board of Directors comprises of:

1.	Mr. Manu	Leopairote	Chairman and Independent Director
2.	Mr. Chamroon	Chinthammit	Director
3.	Mr. Prapas	Chutimavoraphand	Director
4.	Mr. Pornsin	Thaemsirichai	Director
5.	Mr. Sukhum	Tokaranyaset	Director
6.	Mr. Thawatchai	Rojanachotikul	Director
7.	Mrs. Intira	Sukhanindr	Director
8.	Ms. Duangdao	Chinthammit	Director
9.	Mr. Somchai	Chinthammit	Director
10.	Ms. Duangkae	Chinthammit	Director
11.	Mr. Chalush	Chinthammit	Director
12.	Mr. Chatri	Chinthammit	Director
13.	Mr. Somchat	Chinthammit	Director
14.	Mr. Tachpong	Pakornsiriwongs	Director
15.	Mr. Pramoon	Vichiensin	Independent Director
16.	Pol. Gen. Boonpen	Bumpenboon	Independent Director
17.	Mr. Sitti	Leelakasamelurk	Independent Director
18.	Mr. Karun	Kittisataporn	Independent Director
19.	Mr. Worapatr	Todhanakasem	Independent Director
20.	Ms. Nongluck	Phinainitisart	Independent Director
21.	Mr. Trakarn	Chunharojrit	Director

The company has 21 directors, of which 9 are non-executive directors and 7 are independent directors. The Board of Directors is in charge of managing and governing the company's operations according to law, rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, Capital Market Supervisory Board, and the company's objectives and requirements. The Board performs their duties with integrity and diligence.

The Board of Directors is appointed by the shareholders' meeting. The Board has established the Corporate Secretary Office to recommend and assist the Board to conduct their duties in compliance with relevant rules, regulations and corporate governance. The office also coordinates and ensures that corporate shareholders receive appropriate treatment.

Duties and Responsibilities of Board of Directors

The Board of Directors holds accountability to the shareholders in respect of the Company's business operation and supervision of management so as to be consistent with the policy, guidelines and goals to maximize shareholders' benefit within framework of good ethics and interest of all stakeholders.

1. Supervise the Company's administration for the best interests of the shareholders and perform duties with care, loyalty, obedience to law, avoidance of conflict of interest as well as to abide by laws, objectives, Articles of Association and resolutions of shareholders' meeting and to disclose information to shareholders in an accurate, complete and transparent manner.
2. Review and approve vision, policies, directions, strategies, and management plan including corporate governance policy and other policies relating to the Company's operations for accounting period year end.
3. Supervise the Management to comply with the determined policies, strategies, and directions with effectiveness and efficiency and regularly evaluate the Management's performance.
4. Consider and approve budgets in accordance with the Manual of Operational Power and for significant matters such as big project investment, related transactions, acquisition or disposal of assets, any other transactions prescribed by law, etc.
5. Provide accounting system, financial reporting and reliable accounting audit including evaluation process of internal control and internal audit, risk management, financial reporting and evaluation follow-up.
6. Supervise and take action to avoid conflict of interest among directors, shareholders, stakeholders and the Company.

7. Appoint sub-committees as necessary to help monitor the administration and the governance in various aspects, e.g., Executive Committee, Audit Committee, Nomination and Remuneration Committee and Corporate Governance Committee as well as to appoint Company Secretary.
8. Execute a Report of responsibility of the Board of Directors in financial reports by showing along with the report of the Auditor in Annual Report with the coverage on other significant matters according to the SET Code of Best Practice for Directors of Listed Companies.
9. Execute and submit report of shareholding of the Company's securities by the director, the director's spouse, the director's minor children to the Office of Securities and Exchange in accordance with the format and within the stipulated time.

The Board of Directors shall hold at least 6 meetings per year. The Board meeting dates are set in advance and all directors are notified of these dates. In 2015, the Board held 7 meetings. Additionally, non-executive directors held 1 meeting to discuss problems concerning the management which is an issue of interest and notify the Managing Director of the results of said meeting as well.

The Board of Executive Directors

As of October 31, 2015, the Company's Board of Executive Directors consists of:

1.	Mr. Chamroon	Chinthammit	Chairman
2.	Mr. Prapas	Chutimavoraphand	Executive Director
3.	Mr. Pornsin	Thaemsirichai	Executive Director
4.	Mr. Sukhum	Tokaranyaset	Executive Director
5.	Mr. Thawatchai	Rojanachotikul	Executive Director
6.	Ms. Duangdao	Chinthammit	Executive Director
7.	Mr. Somchai	Chinthammit	Executive Director
8.	Ms. Duangkae	Chinthammit	Executive Director
9.	Mr. Chalush	Chinthammit	Executive Director
10.	Mr. Trakarn	Chunharojrit	Executive Director
11.	Mrs. Intira	Sukhanindr	Executive Director
12.	Mr. Tachpong	Pakornsiriwongse	Executive Director

The Chairman of the Board of Executive Directors appoints the secretary of the Company's Board of Executive Directors.

Duties and Responsibilities of Board of Executive Directors

1. Determine policies, directions, strategies, and significant management structures for the Company's operations for approval by the Board of Directors.
2. Determine business plans, budgets, and the Company's administrative power for approval by the Board of Directors
3. Establish organizational structures and manpower policy
4. Examine and monitor policies and management plans to ensure their effectiveness and suitability for the corporate operations.
5. Consider and approve the Company's operations in accordance with the Manual of Operational Power.
6. Perform other tasks as assigned by the Board of Directors.

Any power of attorney given to the Board of Directors must be controlled by related legislation and the Company's regulations. Any activities that benefit/may benefit or affect interest of any executive director or individual, or that may lead to conflicts of interest (according to the SEC), are required to be presented by the Board of Executive Directors to the Board of Directors for consideration. The particular executive director and interested individuals are not allowed to vote in the Board of Directors' meeting concerning the issue.

In 2015, the committee held twelve meetings, and reports on their work were regularly presented to the Board of Directors.

Audit Committee

As of October 31, 2015, the Audit Committee comprises of:

- | | | |
|-----------------|-----------------|----------|
| 1. Mr. Sitti | Leelakasamelurk | Chairman |
| 2. Mr. Karun | Kittisataporn | Director |
| 3. Mr. Worapatr | Todhanakasem | Director |
| 4. Ms. Nongluck | Phinainitisart | Director |

The Chairman of the Audit Committee shall appoint the secretary of the audit committee.

Duties and Responsibilities of Audit Committee

1. Review to ensure accurate and adequate disclosure of financial statements.
2. Review to ensure the establishment of appropriate and effective internal control and internal audit systems.
3. Review to ensure that the Company's operations are in compliance with the rules and regulations of SEC and SET, as well as relevant laws.
4. Consider, elect and nominate the external auditor and also propose the external auditor's remuneration.
5. Consider the accurate and complete disclosure of related transactions or transactions that may lead to any conflict of interest.
6. Perform any duties as assigned by the Board of Directors and agreed upon by the Audit Committee such as to review the financial management and risk management policy, review compliance with business ethics of the management and review with the management the important reports required for disclosure to the public according to the laws, i.e. Management Discussion and Analysis, etc.
7. Prepare the Audit Committee's Report for disclosure in the company's Annual Report in which has been signed by the Chairman of the Audit Committee and consisting of at least :
 - 7.1 opinion on appropriateness and completeness and reliability of the Company's Financial Statement;
 - 7.2 opinion on sufficiency of the Company's internal control system
 - 7.3 opinion on compliance with the rules and regulations of SEC and SET as well as relevant laws;
 - 7.4 opinion on appropriateness of the auditors;
 - 7.5 opinion report which may cause conflict of interest;
 - 7.6 number of Audit Committee Meetings and attendances of each member;
opinion or overview observation, which the Audit Committee has obtained by performing its tasks in compliance with the charter;
 - 7.7 Any report which is deemed appropriate to be reported to the shareholders and other general investors under the scope of works and responsibility as assigned by the Board of Directors.
8. Report all activities as scheduled in order that the Board of Directors can acknowledge the Committee's activities as follows:
 - 8.1 The Audit Committee's minutes of meetings clearly specifying the committee's comment in various issues;
 - 8.2 The report of the Committee's comment on financial statement, internal audit and internal audit process;
 - 8.3 Any report which is deemed appropriate for acknowledgement of the Board of Directors;
9. During performing their duties, if the Committee finds any doubtful transactions or behaviors as shown below which may cause a significant impact to the Company's financial status and operating result, the Committee should report to the Board of Directors for further improvement as deem appropriate.
 - 9.1 Transactions in respect of conflict of interest;
 - 9.2 Any suspicion or presumption of corruption, abnormality or flaw which are material to internal audit system;
 - 9.3 Any suspicion that there are non-compliance with rules and regulation of SEC and SET or relevant laws.

In case that the abovementioned report has been already submitted to the Board of Directors and the discussion among the Board of Directors, the Committee and the Company's management has been made for further improvement and the Committee later finds that the rectification is ignored without appropriate reason, any member of the Committee can further report this matter to SEC and SET.

10. In case that the auditor finds any doubtful acts which are non compliance with the laws done by director, manager or any person who is responsible for the Company's operation and the matters of fact has been reported to the Committee for acknowledgement and prompt inspection,. the Committee shall report the outcome of preliminary inspection to the SEC and SET as well as the auditor for acknowledgement within 30 days after being informed by the auditor. Any doubtful acts required to be reported including the procedures to obtain the facts shall be in accordance with the Capital Market Commission's regulation.
11. Invite directors, management, department heads or employees for discussion or clarification on the Committee's inquiry.
12. Review the scope of works and responsibility as well as evaluate the Committee's performance on yearly basis.

The Audit Committee is delegated a three-year term and required to hold at least four meetings in a year.

The Audit Committee: Qualifications of the Audit Committee are in line with relevant SET requirements. All Audit Committee members are independent directors. Mr. Sitti Leelakasamelurk, Chairman of the Audit Committee, possesses sound knowledge, understanding, professional experience in accounting and finance. In 2015, the committee held five meetings, and reports on their work were regularly presented to the Board of Directors..

Nomination and Remuneration Committee

As of October 31, 2015, the Nomination and Remuneration Committee consists of:

1. Mr. Pramoon	Vichiensin	Chairman
2. Mr. Karun	Kittisathaporn	Director
3. Mr. Somchat	Chinthammit	Director
4. Ms. Duangdao	Chinthammit	Director

The Chairman of the Nomination and Remuneration committee shall appoint the secretary of the Nomination and Remuneration committee.

Duties and Responsibilities of Nomination and Remuneration Committee

Scope of Duties and Responsibilities:

1. Nomination

- 1.1 Define qualifications of the directors to be consistent with the structure, size and compositions of various committees established by the Board of Directors so as to ensure transparency and expectation of the Board of Directors by considering the knowledge, experience, expertise, freedom and time to contribute to directorship;
- 1.2 select and nominate persons qualified to be directors for the Board of Directors' consideration to nominate to the Shareholders' meeting for appointment provided that the selection method, verification of qualifications as regulated by laws and related authorities including consent to be appointed are to be prescribed;
- 1.3 select and nominate persons qualified to be members in Executive Committee and other sub-Committees to replace the members whose office terms have ended to the Board of Directors for consideration.

2. Remuneration

- 2.1 consider or review pattern, criteria and procedures to consider remuneration so as to suit the duties and responsibilities of the Board of Directors and other sub-Committees and submit for approval from the Board of Directors and the Shareholders' meeting respectively provided that the Chairman of the Board and the sub-Committees shall receive remuneration approximately 20 per cent higher than members;
- 2.2 review data relating to remuneration of other companies in the same and similar industry yearly;
- 2.3 disclose names of directors, attendance and remuneration in all types in the Company's Annual Report as well as the brief Charter and remuneration criteria.

The Nomination and Remuneration Committee is delegated a three-year term and required to be held at least two meetings in a year.

The Nomination and Remuneration Committee: The Company required that the Remuneration Committee and Nomination Committee be combined. The Chairperson and the majority of the committee members shall be independent directors. Directors serve in this committee have expertise in several fields, such as governance, law, and human resource management. In 2015, the Nomination and Remuneration Committee held two meetings, and reports on their work were regularly presented to the Board of Directors.

Risk Management Committee

As of October 31, 2015, the Risk Management Committee comprises of:

- | | | |
|----------------------|-----------------|----------|
| 1. Pol. Gen. Boonpen | Bumpenboon | Chairman |
| 2. Mr. Sitti | Leelakasamelurk | Director |
| 3. Mr. Worapatr | Todhanakasem | Director |
| 4. Mr. Chalush | Chinthammit | Director |

As its position, the head of Risk Management Office is a secretary of the Risk Management Committee.

Duties and Responsibilities of Risk Management Committee

1. Develop risk management policies and prescribe management policy framework regarding the overall corporate risk management that covers the Company's major risks, such as market risk, liquidity risk, management risk, investment risk, and reputation risk.
2. Design strategies in line with risk management policies and to evaluate, monitor and control the overall risk at acceptable level.
3. Encourage cooperation of overall risk management and review the adequacy of risk management policies and system, as well as effectiveness of the system and policy implementation.
4. Provide systematic and continual evaluation and analysis of probable damage within normal situation and critical circumstances to ensure that the risk survey covers all steps of business operation.
5. Support and develop the establishment of continual risk management within the Company to be consistent with international standards.
6. Report periodically to the Board of Directors the matters that need improvement to be in line with the prescribed policies and strategies.
7. Employ external consultant to give advice with corporate expense with prior approval from the Board of Directors
8. Perform any other tasks as assigned by the Board of Directors

The Risk Management Committee is delegated a three-year term and required to be held at least two meetings in a year.

The Risk Management Committee: The Board requires most of the Risk Management Committee members and the Chairperson to be independent directors. Directors serve in this committee have expertise in several fields, such as accounting and finance, management, investment, and corporate businesses. In 2015, the Risk Management Committee held four meetings, and reports on their work were regularly presented to the Board of Directors.

Corporate Governance Committee

As of October 31, 2015, the Corporate Governance Committee comprises of:

- | | | |
|----------------------|----------------|----------|
| 1. Mr. Worapatr | Todhanakasem | Chairman |
| 2. Pol. Gen. Boonpen | Bumpenboon | Director |
| 3. Mr. Karun | Kittisataporn | Director |
| 4. Ms. Nongluck | Phinainitisart | Director |

Duties and Responsibilities of Corporate Governance Committee:

1. Consider and recommend to the Board of Directors the governance policy, business ethics and other policies relating to corporate governance.
2. Consider and recommend to the Board of Directors the good practices of the Company, Board of Directors, Management, employees and other related parties which are consistent with the governance policy, business ethics and other policies relating to corporate governance.
3. Supervise and suggest as well as advise the Board of Directors and Management to perform their duties to fulfill the policy, business ethics and good practices of corporate governance.
4. Revise the governance policy and practices, at the least, once a year by comparing with international standards or other appropriate standards.

5. Appoint a secretary of the Committee, sub-committees or working groups with appropriate power and duties.
6. Perform any related tasks as assigned by the Board of Directors.

The Corporate Governance Committee is delegated a three-year term and required to hold at least 3 meetings in a year.

The Corporate Governance Committee: All Corporate Governance members are independent directors. The Chairman has expertise in governance, management, and investment. In 2015, the Corporate Governance Committee held three meetings, and reports on their work were regularly presented to the Board of Directors.

Qualifications of Independent Directors

Independent directors must possess all qualification as prescribed by the Capital Market Supervisory Board and must be able to protect the interests of all shareholders equally and to avoid conflict of interest. Independent directors must attend Board of Directors' meetings and express their opinions independently.

Pursuant to the Company's Governance Policy, the Independent directors must have the following qualifications.

1. An independent director must not hold more than 0.5% of the total voting shares of the Company, its subsidiaries, its affiliates, major shareholders, or persons having controlling power; provided that the number of shares held by persons related to the independent directors are also counted in aggregation.
2. An independent director is not and was not a director who involves in the management of the Company, an employee, staff, advisor who regularly receives salary or a person having controlling power over the Company, its subsidiaries, its affiliates or a major shareholder except that he/she has been discharged from such status for at least 2 (two) years prior to his/her appointment as an independent director. However, this requirement does not apply to the nominated persons who were government officials or advisors of the government units that are the major shareholders of the Company or have controlling power over the Company.
3. An independent director must not be related, by blood or by lawful registration, in a manner of being father, mother, spouse, brother and son/daughter including a spouse of executive, major shareholder, and person having controlling power or the person who is nominated an executive or a person having controlling power over the Company or its subsidiaries.
4. An independent director must not have any business relationship with the Company, its subsidiaries, and/or its affiliates, a major shareholder or a person having controlling power over the Company in a manner that is likely to hinder his/her independent consideration and is not or was not a shareholder or a controlling person of a person who has business relationship with the Company, its subsidiaries, its affiliates, a major shareholder or a person having controlling power of the Company, except that he/she has been discharged from such status for at least 2 (two) years prior to his/her appointment as an independent director.
5. An independent director is not or was not an auditor of the Company, its subsidiaries, its associates, a major shareholder or a person having controlling power over the Company and is not a shareholder, a controlling person or a partner of an audit firm which employs the auditor of the Company, its affiliates, its affiliates, a major shareholder or a person having controlling power, except that he/she has been discharged from such status for at least 2 (two) years prior to his/her appointment as independent director.
6. An independent director is not and was not a professional service provider, including a legal advisor or a financial advisor who receives professional fee more than 2 (two) million Baht per year from the Company, its subsidiaries, its affiliates, a major shareholder or a person having controlling power over the Company and is not a shareholder, a controlling person or a partner of such professional firm, except that he/she has been discharged from such status for at least 2 (two) years prior to his/her appointment as independent director.
7. An independent director must not be appointed to represent a Company's director, a major shareholder, or a shareholder who is related person to a major shareholder.

8. An independent director must not operate the same type of business which is materially competitive with the Company or its subsidiaries or its affiliates and must not be a partner in a partnership or an executive director, employee, staff, advisor receiving regular salary, or a shareholder holding more than 1 (one) percent of the total voting shares of the other Company that operates the same type of business which is materially competitive with the Company or its subsidiaries.
9. Not having any other descriptions which obstruct free expression of opinions concerning the operations of the Company.

Responsibilities of the Board of Directors

1. The structure of the Board consisted of 21 directors. 7 out of 21 are independent directors of which one, who is not the Managing Director, is the Chairman of the Board. The company's Board of Directors possesses skills and expertise in various fields, such as accounting, finance, law, governance, production technology, personnel, purchasing, marketing, real estate, internal audit, and information technology.

No.	Name-Family Name		Category of Director			
			Shareholder Representatives	Non-Executive Director	Independent Director	Executive Director
1.	Mr. Manu	Leopairote		/	/	
2.	Mr. Chamroon	Chinthammit	/			/
3.	Mr. Prapas	Chutimavoraphand	/			/
4.	Mr. Pornsin	Thaemsirichai	/			/
5.	Mr. Somchai	Chinthammit	/			/
6.	Mrs. Intira	Sukhanindr	/			/
7.	Mr. Trakarn	Chunharojrit	/			/
8.	Ms. Duangkae	Chinthammit	/			/
9.	Ms. Duangdao	Chinthammit	/			/
10.	Mr. Tachpong	Pakornsiriwongse	/			/
11.	Mr. Chatri	Chinthammit	/	/		
12.	Mr. Chalush	Chinthammit	/			/
13.	Mr. Sukhum	Tokaranyaset	/			/
14.	Mr. Thawatchai	Rojanachotikul	/			/
15.	Mr. Somchart	Chinthammit	/	/		
16.	Mr. Pramoon	Vichiensin		/	/	
17.	Pol.Gen. Boonpen	Bumpenboon		/	/	
18.	Mr. Sitti	Leelakasamelurk		/	/	
19.	Mr. Karun	Kittisataporn		/	/	
20.	Mr. Warapatr	Todhanakasem		/	/	
21.	Ms. Nongluck	Phinainitisart		/	/	
Total			14	9	7	12

2. It is required that during the annual general meeting, one third (1/3) or close to one third of corporate directors resign. Each director's term is three years. In case that the Board serves until the end of its term and the new Board has not yet been appointed, the former Board still continues to work until the new Board has been appointed. The company has not determined the total terms the Board can consecutively serve. The Nomination and Remuneration Committee is considering this matter in relation to feasibility of selecting personnel with experience specific to the company's business to serve in the Board.

3. The Board of Directors has established the following committees: the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee, as well as defined their functions and responsibilities. For transparency and independence in the work, the majority of the committee members are independent directors, and chairs of the committees are independent directors. To maintain true independence of the corporate committees, the Chair of

the Board is not the chair or a member of those committees. The committees serve 2 years. In case that a committee serves until the end of its term and a new committee has not yet been appointed, the former committee still continues to work until a new committee has been appointed. At the end of their term, if a director is not re-elected, their position in their current committee shall end automatically. If there is a new director in a committee, that director shall remain in the position as long as the committee's term.

4. The board requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the company's direct and indirect competition, unless the information about their positions is disclosed in the annual general meeting before the appointment. The requirement is applied to corporate executives as well.

5. The company's vision, missions, strategies, goals, business plans, budgets, internal control, internal audit, and risk management have been governed with effectiveness and efficiency. The current corporate vision has been reshaped from being a sugar manufacturer to a producer of alternative energy which is environmentally friendly. The new vision is based on the idea that sugar is an energy source for human beings. Ethanol fuels automobiles. Fertilizer nourishes plants. Electricity energizes appliances. Corporate investments are in line with such vision.

6. The board has established corporate governance policy as follows: "The company is committed to corporate governance to build trust among shareholders, employees, and customers, as well as to create sustainable competitive advantage. It emphasizes internal control, internal audit, and risk management, as well as ensures that managements implement policies effectively in compliance with legislation and business ethics." The policy has been communicated throughout the Company. The company ensures that its personnel understand and comply with the corporate governance. The work and corporate policies are always evaluated and reviewed annually.

7. The board has set a written ethics and codes of business conduct for the company's directors and employees, which cover key matters, such as honesty, integrity, conflicts of interest, and compliance with laws. Compliance to the codes is monitored, and penalties are defined. Each year the Corporate Governance Committee evaluates, reviews, and revises the codes of conduct.

8. Prevention of Conflicts of Interest, The Board of Directors thoroughly considers and deals with transactions with (potential) conflicts of interest. The Audit Committee considers related-party transactions according to the SET legislation and procedure. Stakeholders in the related transactions are not allowed to decide on those particular transactions, which are fully and accurately disclosed in annual reports and from 56-1.

9. Efficient Administrations and Internal Control, the company's internal control unit has been formed to ensure effective operations, accurate and reliable information, compliance with legislation, efficient and effective use of corporate resources, and protection and corporate assets. The corporate internal audit provides analyses, audits, evaluations, advice, and recommendations to support corporate activities. The audit committee independently reviews and audits adequacy and efficiency of the company's internal control and internal audit once a year. The opinions on the corporate internal control system are included in the annual report.

10. Risk Management. The Risk Management Committee engages in establishing the total risk management. Adequacy and efficiency of the company's risk management system will be reviewed at least once a year. The early warning system will be in place for irregularity scanning.

11. The Company sets the Board of Directors meeting dates and notifies the directors of those date in advance. The Board of Directors shall hold at least 6 meetings per year. In 2015, the Board held 7 meetings, including 1 additional non-executive directors meeting. For the flow of the company's operations, there are monthly executive meetings where the board entitles the meeting to make decisions. In every board meetings, the board of directors is informed about matters that have been approved by the Company's executive meeting to ensure that the board is able to supervise, control, and monitor the work of managements on a regular basis.

In board meetings, the chairman, managing director, and secretary consider agendas. This is to ensure that the agendas cover important matters. Each director may propose agendas independently.

The board's secretary sends meeting documents to each director 7 days in advance of the meeting date. The documents are concise but sufficient for consideration. Confidential issues that cannot be disclosed in writing or prior to the meetings are brought to be discussed during the meetings.

In a board of directors meeting, the chairman of the board allocates adequate meeting time for managements' presentations and comprehensive directors' discussions. The chairman encourages careful consideration in the meeting. Directors pay attention to each issue presented in the meeting, including issues concerning governance of the company. Top executives from different departments attend the board meeting to present details on the issues that they are responsible for in order to facilitate the Board's decision-making. The Board also has a chance to know more about the top executives, as well as has access to important additional information through the top executives. Directors may request more information about issues in the meeting from the company's secretary.

Non-executive directors also held meeting amongst themselves without executive directors so that they may independently express their opinion on the Company's operation and management.

Minutes of the board of directors' meetings include such important matters as dates, times, names of directors who are present and absent, summaries of proposals, summaries of discussions and remarks, resolutions, opinions from directors who disagree, names of people preparing minutes, and names of those approving minutes. The minutes are bound and easy to retrieve. They cannot be changed. Numbers of the board meetings and attendance are disclosed. The board sets a meeting every 3 months in a year, and the executive committee has monthly meetings concerning the company's operating results. Information from the executive committee meetings is presented to the corporate board of directors.

In 2015, the board evaluated its works according to the applicable SET evaluation criteria. Also, there were evaluations of directors in groups and individually. The board considered the evaluation results and put forward recommendations for improvement.

Selection of Directors and Management

1. The nomination and remuneration committee has determined that an independent director: (1) must possess an amount of shares that does not exceed 0.5% of the total of voting shares; (2) must not involve in corporate management and must not be an employee or advisor including an audit advisor, a legal advisor, or any other type of advisor receiving salary, or a person with controlling power over the company, its subsidiaries and associates, or a person who may have conflicts of interest or may hold a stake in that manner not less than 2 years; (3) must not have any business relationship, interest or stake both direct and indirectly; (4) must not be a close relative or have other type of relationship with management and major shareholders that might result in lack of independence. Such requirements, which are stricter than other general requirements, have been approved by the company's board.

2. In the last fiscal year, the independent directors did not have any business relationship or provide any professional services to the Company.

3. Nomination of Directors and Top Management Executives

The Nomination and Remuneration Committee has determined policies, regulations, and procedures for nomination of directors in order to select and nominate qualified personnel to the Board of Director and shareholder for consideration in annual general shareholders' meeting. However, the criteria for consideration must be not less than the qualifications specified in Section 68 of the SEC ACT B.E. 2535 (including the revised version) and related announcements of the SEC. The election of directors is organized in line with the following Company's regulations:

1. The corporate Board of Directors consists of at least five directors, which not less than half of the number of directors must reside in the Kingdom. The directors must be qualified individuals who do not possess characteristics as prohibited by the laws.
2. The election of directors by the shareholder meeting is in line with the majority of votes, and the following regulations and procedure:

- (a) One vote per share is allowed for a shareholder.
 - (b) Shareholders vote for each individual nominated as a director. The number of vote(s) received by each nominee does not exceed the number of share(s) held by the particular voter, as specified in (a). The shareholder cannot allot any of their share(s) to any other individual. Directors are those individuals receiving the highest votes. Should the individuals receive the same number of votes where only one place for a director remaining, the chairperson shall be granted the final vote.
3. In an annual general meeting, one third of the directors are required to resign. If the total number of directors does not allow such division, the number of directors to resign should be at the closest to one third of the total.

Company Secretary

The Board of Directors had appointed Mr. Dhajjai Subhapholsiri as the Company Secretary whose duties includes giving advice to the directors as to the compliance with laws and regulations regarding their responsibilities, arranging board of director meeting, shareholder meeting, and meeting reports and all other works required by the law.

Additionally, the Company supported the Company Secretary to gain more knowledge and training in law and company secretary duties as well as disclosing his qualifications and experiences within the Company's annual report.

Governance for subsidiaries and associates performance

- 1. In order to comply with governance and protect the Company's investment, the Board appoints directors of the parent company to be directors in subsidiaries and associated companies in proportion to the shareholding.
- 2. The directors who represent the Company shall participate in decision of policy such as investment in projects, etc.

Use of inside information

According to Corporate Governance policy, the Company prohibits its directors, the executives, and employees from using inside information concerning important matters including trading of securities before publication for others or personal gains. Directors, executives, and employees have freedom to invest in corporate security; provided that the trading of company security within one month before the corporate financial statements is to be publicized shall be prohibited in order to avoid conflict of interest.

Auditor fee

In 2015, the Auditor fee of the Company and subsidiaries shall be the amount of THB 7,355,000.- and other fees shall be the amount of 200,000 baht

Good Corporate Governance Practices

The Board of Directors considers the importance of corporate governance and understands its functions, duties, and responsibilities to the Company, shareholders and stakeholders, as well as observes the Stock Exchange of Thailand's Code of Best Practice for the Director's of Listed Companies as follows:

Rights of Shareholders and Equitable Treatments of Shareholders

- 1. The Company always respects rights of its shareholders: basic shareholder rights as prescribed the law, ownership right through appointment of the Board of Directors, and other rights as appropriate. The Company takes care of its shareholders more than legal requirements, such as provision of information, news, updates through the corporate website. Important news for shareholders is notified by letters. Shareholders are welcome to visit the Company by request.
- 2. The Company provides shareholders, prior to a meeting, with information on the date, time, venue, and all agenda items concerning issues to be decided. A notice of a meeting and support documents are sent to corporate shareholders at least 7 days in advance. The notice of the Annual General Meeting of Shareholders for the year 2014, No. 1/ 2015 was posted on the Company's website so that shareholders could study all the information prior to receiving the notice in documentation.

3. The Company's website where corporate shareholders and those interested may download corporate financial information, corporate profiles, and meeting information is www.kslsugar.com. Inquiries and requests for further information may be e-mailed to ir@kslgroup.com and secretary@kslgroup.com

4. The Company facilitates and encourages its shareholders to exercise their rights and votes. There are two closing times of the transfer book. The Shareholders Register is first closed for shareholders' right to attend a shareholders' meeting, allowing the shareholders to consider and approve the annual dividend payment. The Register is closed again for shareholders' right to receive dividends, allowing the shareholders to choose whether they will hold the stocks for the dividends or not. Shareholders meetings are organized at convenient venues. The Company has chosen to hold annual general meetings at hotel in the middle of Bangkok, near the Company's head office. The meetings are notified in newspapers. Shareholders can register about one hour prior to each meeting. Should a shareholder not be able to physically present at a meeting, they may appoint their proxy or an independent director as their proxy to attend and vote in the meeting.

5. The Company held the Annual General Meeting 2014, No. 1/2015 on February 27, 2015, where all 21 directors were present. Corporate shareholders were given opportunities to directly inquire the corporate directors and committees. The Company does not deprive its shareholders of access to corporate information. All important information, for instance, is included in distributed notices without any last-minute addition of agendas or changes in important matters. Shareholders who arrive late are always allowed to attend meetings.

6. The Company allows its shareholders to propose matters to be included in a meeting's agenda, prior to the meeting, with requirements and procedures. For instance, the proposal may be submitted by one single shareholder or several shareholders holding at least 5% of total shares. A meeting agenda is presented in detail. Criteria for approving or rejecting proposed matters as part of meetings' agendas are stated clearly. There are channels and periods of time for accepting shareholders' proposals. After proposals are accepted, the Board of Directors' meeting will consider and select the proposals. Shareholders will be informed about the Board's meeting resolutions and reasons in detail regarding the proposals through the Company's website and corporate shareholders did not propose any additional matters to be included in the shareholders' meeting agendas. Moreover, the Company encourages its shareholders to electronically submit the Board their inquiries related to shareholders' meeting agendas via its website prior to shareholders' meeting dates.

7. The Company has facilitated nomination of candidates for corporate directors by shareholders. Guidelines for the procedure and criteria have been provided. For instance, registered mail can be used for shareholders' submission of their nominations to the Company's Secretarial Division. Periods of time for accepting shareholders' director nominations are defined. Forms for nominees' profiles are provided. The procedure for nominees' declaration of their consent is explained. Detailed information regarding the nomination is posted on the Company's website. After nominations are accepted, the board of directors' meeting will consider the nominations. However, up to the present there has been no nomination from corporate shareholders.

8. The Company provides information on a shareholders' meeting for its shareholders on the corporate website. Hard copies of the same information are also sent to corporate shareholders. Shareholders' meeting notices and support documents are sent to shareholders at least 14 days in advance.

9. In the annual shareholders meeting notice, the Company informed its shareholders about rules and procedure of attending the shareholders' meeting. It nominated corporate independent directors: Mr. Manu Leoparote and Mr. Karun Kittisataporn as the shareholders' proxies. Shareholders were provided with standard proxy forms for indicating their opinions in voting.

10. Agenda of the 2014 Annual Shareholders' Meeting (1/2015) notice covered statement of financial position, profit and loss statement, reduction of unpaid registered capital, change in registered par value, dividend payment, increase of capital to accommodate the share dividend, allocation of ordinary shares to accommodate the share dividend, election of replacement directors whose terms have ended, consideration of remuneration for directors, and approval of auditor for the year 2015.

11. In the AGM 2014, No. 1/ 2015 the Chair informed corporate shareholders about procedures relevant to the meeting including voting procedure. The shareholders were given opportunities to express their opinions and ask questions. There were inquiries about the Company's financial statements and operating results. In director appointment, the shareholders voted on each nominated director. Voting cards were used. The meeting was recorded on video.

12. In minutes of the AGM 2014, No. 1/ 2015, names of all the directors physically present/absent were shown. All corporate directors were present. Summaries of clarifications, questions, answers, opinions, the voting procedure, and the vote count procedure were provided. Regarding disagreement, the meeting resolution was presented along with the total of votes in favor/ against and no vote. The minutes were posted on the corporate website within 14 days after the AGM.

13. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for abusive self-dealing.

14. The Company requires that a director shall not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the Company's direct and indirect competition, unless the information about their position(s) is disclosed to the shareholders' meeting before the appointment. Directors shall inform the Company immediately about their direct and indirect conflicts of interest arising in any corporate contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the Company or its subsidiaries between fiscal years. The Company encourages its directors, Management and those related to the Board to disclose information about their interests as part of the Board's meeting agendas. Directors who have interests in any issues being considered are not allowed to vote on those particular issues.

Role of Stakeholders

Besides protecting the benefits and rights of its shareholders, the Company realizes the significance of other stakeholders contributing to its financial stability and sustainability. These stakeholders include, for instance, customers, employees, trading partners, creditors, and the surrounding community. The Company has always ensured integrity and fair treatment for each stakeholder through its established business ethics, such as:

Rights of Shareholders : in "Rights of Shareholders and Equitable Treatments of Shareholders" relating to adhering to other good corporate governance principles, the Company aligned its business ethics with its corporate governance policy and guidelines related to shareholder's rights and equal treatment of shareholders.

Rights of Employees : The Company aligned its business ethics with its corporate governance policy and guidelines related to employee treatment under the role of stakeholder topic. The Company respects its employees' legal rights according to the Labor Protection Act and related laws. It ensures fair and equal treatment for all employees regardless of their ranks, nationalities, religious beliefs, and gender. Employees are entitled to benefits according to their positions without discrimination. For transparency and fairness in employees' promotions and pay raises, the Company has established a committee comprising of Management of different departments. To support its growth, the Company encourages the development of its employees' knowledge and skill through in-house and outside training. Provident fund has been set for corporate employees' security. The Company upholds Thai Labor Standard (TLS 8001-2553) on human rights and social responsibility. It was given full and highest accreditation by the Department of Labor Protection and Welfare, Ministry of Labor, with the Thai Labor Standard (TLS: 8001-2553) for seven consecutive year.

Rights of Customers: Apart from customers' rights specified in contracts, the Company cares about their satisfaction. Follow-up and customer satisfaction evaluating systems have been established. Follow-ups and satisfaction evaluations are done periodically in line with ISO 9001:2008, FSSC 22000, GMP, HACCP, HALAL, KOSHER. The aim is to promote long-term relationships between the Company and customers.

Rights of Trading Partners : The Company aligns its business ethics with its corporate governance policy and guidelines related to partners treatment under the role of stakeholder topic. The Company shall support fair and ethical competition, equality of the partnerships in operations and mutual benefits. The Company established required criteria for partners/suppliers to qualify for project bidding and made such requirements known publically. The Company transparently and fairly disclose a complete and accurate information and requirements for project bidding to partners/suppliers, keeping price quotations from each suppliers confidential, and do not seek additional gains in exchange for purchasing contract.

Trading partners not only refers to those that hold buying and purchasing contracting with the company but also includes joint venture partners. The Company always respects its trading partners' legal rights and rights as specified in joint venture agreements. It adheres to integrity, equality, and rights of benefits corresponding to their investments.

Rights of Creditors : The Company aligns its business ethics with its corporate governance policy and guidelines related to creditor treatment under the role of stakeholder topic. The Company shall respect the agreements made with creditors regarding debt payments, deposit returns and safekeeping, and others requirements such as reporting accurate information about the Company's financial position to creditors and maintain debt to equity ratio. The Company has earned trust among its creditors from ethical operations. Information and updates concerning the Company and its financial status are provided for the Company's creditors.

Rights of the Community and Environment : The Company has corporate governance policy and guidelines relating to community treatment under the role of stakeholders. The Company shall support and participate in charitable and community development activities to create good relationships and improve quality of life for communities surrounding our business operations. The Company collaborates with the government sector and agencies, helps developing public infrastructure, provides financial supports, and promotes social activities that bring understanding and sustainable development to the community. Projects supported and developed by KSL in 2015 are as follows: Medical Check-Up for Communities surrounding Khon Kaen Factory, Blanket Giveaway to elderly for Cold Weather Relief in areas around our factories in Khon Kaen and Loei, Smile Library book donation to schools in Khon Kaen and Kanchanaburi, "Long Tun Soon Tarn" Fund, a Philanthropic Investment that focus on using return on investment to fund long term CSR projects, KSL's " Love Nature, Plant Coral" event that brought KSL group employees to help plant corals at around ToeyNgarm Beach, Navikayothin Gulf, Sattahip District, Chonburi Province, fund raising for Rama Thibodi Foundation in order to build the Chakri Naruebodindra Medical Institute in Samutprakarn Province, completed the 70th Year KSL, 70 Sufficiency Programs in 2015 by creating 70 Sufficiency Economy Learning Centers to train communities of such principles, 2015 Annual Scholarships to employee's children, and donation to earthquake disaster relief in Nepal through the Khon Kaen Office of Ministry of Industry.

The Company has always been responsible to the society and environment. It strictly complies with applicable laws, such as environmental laws.

The Company has corporate governance policy and guidelines related to environmental protection. The Company shall use natural resource and power efficiently, protect the quality of the environment and do not emit waste and pollution. For projects that may have a potential impact on the community and environment, the company conducts public hearings and tries to minimize those effects. Specific procedures have been set for environmental and social factor studies, minimizing environmental and social impact, along with feasibility studies.

The company always realizes the importance of all groups of stakeholders as mentioned. It also values all suggestions, opinions, and comments that enable development, improvement and correction of the corporate operations. All stakeholders can contact the Company's management, the head of internal audit committee, the head of human resource department, or the chairman of audit committee to report improper incidents, complain, request for clarifications or correction, or make any suggestions via email at ia@kslgroup.com or fax the at 02-642-6092. In the previous year, there was no wrongdoing reported to the company. Details information regarding procedure to report wrongdoing is provided in the Company's Corporate Governance Manual, under the heading Reporting misconduct, fraud, and non-compliance to Code of Business Ethics.

Disclosure of Information and Transparency

The company ensures that corporate information is provided correctly, accurately, on time, and transparently through channels that are trustworthy and equally easy to access for the public. The followings are corporate practices:

1. Annual statements (Form 56-1) and annual reports are disclosed through the SET channels and corporate website, www.kslsugar.com. There are also updates related to the company and the industry posted on the website to facilitate decision-making of those involved.

2. In the previous year, the company's disclosure of information and transparency were approved by the Securities and Exchange Commission and the Stock Exchange of Thailand, as its practice was in accordance with disclosure requirements. Effectiveness of the corporate information disclosure procedure was evaluated by outsiders.

3. The company disclosed additional information including duties of the Board of Directors and committees, the director and executive remuneration policy, summarized corporate governance policy, environmental and social policies, the company's compliance with established policies, summarized business ethics, and directors' training background were disclosed.

4. A statement of the Board of Directors' responsibilities for the company's financial statements is provided along with the auditor's report in the corporate annual report. The contents include the certification that the company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations, and that the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Board Chairman and Managing Director.

5. Contents of the Company's website consist of organizational information, shareholding structure, the Board structure, vision/missions, businesses and products, corporate governance policies and compliance results, business ethics, information for investors, environmental and social policies, annual reports, financial statements, news and updates in both Thai and English.

6. The company is well aware of the importance of disclosing information to investors with accuracy, transparency, and accessibility. A team set up to coordinate communications between the company, investors, and shareholders can be reached by email at ir@kslgroup.com or the following contacts:

1. Mr. Meechai	Piyavisadpat	Telephone: 02-642-6230, ext. 279	Email: meechai@kslgroup.com
2. Mr. Chanachai	Chutimavoraphand	Telephone: 02-642-6230	Email: chanachai@kslgroup.com
3. Mr. Chalush	Chinthammit	Telephone: 02-642-6230	Email: chalush@kslgroup.com

To promote better understanding of the company's businesses and facilitates the distribution of the information to interested investors, the company has produced an annual investor relations plan; held quarterly analyst meetings at corporate conference room. Additionally, in 2015, the Company participated in the "Opportunity Day" program organized by SET that provides an opportunity for listed companies to present their business, operating results, and give updates on their current and future projects to investors, analysts, and the press.

For foreign investors, the company collaborated with securities companies and financial analysts to prepare for various road shows presenting its operating results and project progress. In the previous year, the company attended conferences presenting corporate operating results and progress in Singapore and Hong Kong in conjunction with the Stock Exchange of Thailand. Visits to the company have been arranged for domestic and foreign investors. Appointments can be made in advance with the company's investor relations team.

DETAILS OF COMPANY'S DIRECTORS, EXECUTIVES, AUTHORIZED PERSON AND COMPANY SECRETARY

Name/Position/	Education Background	% of shareholding	Position	Work experience past 5 years - Present Company/Type of Business
1. Mr.Manu Leopaiothe (72 years old) - Chairman of the Board of Directors (Since 15 October 2004)	- B.Sc. in Economics (Honours), Thammasat University - M.Sc.(Economics), University of Kentucky, USA. - Honorary Degree of Doctor of Business Administration, Thammasat University, Thailand - Diploma Industrial Development, Nagoya, Japan - Diploma, National Defence College Class 34 - Diploma, Chairman 2000 (3/2001) - Director Certification Program (DCP) (30/2003) - Director Accreditation Program (DAP)	-	- Chairman - Chairman - Permanent Secretary - Chairman - Audit committee	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories - SME Bank - Ministry of Industry - TMC Industrial PLC. - ARIP PLC. - Polyplex (Thailand) PLC. - Jubilee Enterprise PLC. - Thai Beverage PLC.
2. Mr.Chamroon Chinthammit (65 years old) - Chief Executive Officer and President (Authorized Director) (Since 26 February 2004)	- BBA in Business Administration (Honours) Chulalongkorn University - Director Accreditation Program (DAP) (17/2004) by IOD - Diploma, Chairman 2000 (10/2004) By IOD	1.987	- Chief Executive Officer and President - President - Director	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories - Champion Fermentation Co., Ltd. - KSL Real Estate Co., Ltd. - Chengteh Chinaware (Thailand) Co., Ltd. - Thai Fermentation Industry Co., Ltd. - TFI Green Biotech Co., Ltd. - KSL Export Trading Co., Ltd. - Khon Kaen Sugar Power Plant Co., Ltd. - KSL Material Supply Co., Ltd. - Khon Kaen Alcohol Co., Ltd. - Koh Kong Sugar Industry Co., Ltd. - KSL Agro and Trading Co., Ltd. - Savannakhet Sugar Corporation - Rajasolar Material Co., Ltd. - Onnuch Construction Co., Ltd. - Thai Sugar Millers Corporation Limited - Chantaburi Starch Co., Ltd. - The Federation of Thai Industry (Sugar Industry Group) - The Cane and Sugar Board Ministry of Industry - Thai Listed Companies Association - The Federation of Thai Industry
M.L. Charuvadhana Chinthammit Spouse		1.197		
3. Mr.Prapas Chutimavoraphand (77 years old) - Director and Executive Director - Senior Vice President - Administration (Retire 31 October 2015) (Authorized Director) (Since 26 February 2004)	- Vocational Certificate, Chonradasornnumrung School - Director Accreditation Program (DAP) (17/2004) by IOD	0.544	- Director and Senior Vice President - Director - CEO & Managing Director - Managing Director - CEO	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories - Khon Kaen Sugar Power Plant Co.,Ltd. - Thai Sugar Terminal PLC. and Affiliate companies - Onnuch Construction Co.,Ltd. - TS Flour Mill PLC.
Mrs. Sumitra Chutimavoraphand Spouse		0.489		

Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
4. Mr. Pornsin Thaemsirichai (71 years old) - Director and Executive Director - Senior Vice President - Production & Technique (Authorized Director) (Since 26 February 2004)	- B.Eng. in Civil Chulalongkorn University - MS in Engineering North Dakota State University, USA. - MBA., The University of Southern Queensland, Australia - Director Accreditation Program (DAP) (18/2004) by IOD - Director Certification Program (DCP) (50/2004)	0.666	- Director and Senior Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Chairman	- Koh Kong Plantation Co., Ltd.
			- Managing Director	- Khon Kaen Sugar Power Plant Co., Ltd. - Khon Kaen Alcohol Co., Ltd.
			- Director	- KSL Material Supplies Co., Ltd. - Savannakhet Sugar Corporation - Koh Kong Sugar Industry Co., Ltd. - Sahamit Machinery PLC.
Mrs. Montanut Thaemsirichai Spouse		0.696		
5. Mr. Somchai Chinthammit (63 years old) - Director and Executive Director - Assistant Vice President (Since 26 February 2004)	- Diploma, Computer College, Germany - Certificate Mini MBA., Thammasat University - Director Accreditation Program (DAP) (17/2004) by IOD	2.182	- Director and Assistant Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- Khon Kaen Sugar Industry PCL. - Khon Kaen Sugar Power Plant Co., Ltd. - Champion Fermentation Co., Ltd. - Thai Fermentation Industry Co., Ltd. - KSL Agro and Trading Co., Ltd. - Thai Sugar Terminal PLC. and subsidiaries
Miss Natamont Chinthammit Minor Children		0.399		
6. Ms. Duangkae Chinthammit (59 years old) - Director and Executive Director - Assistant Vice President (Since 26 February 2004)	- Diploma from KATINKA School, England - Certificate Modern Managers Program (MMP), Chulalongkorn University - Director Accreditation Program (DAP) (17/2004) by IOD	2.260	- Director and Assistant	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- Sub Sri Thai Warehouse PLC.
7. Ms. Duangdao Chinthammit (57 years old) - Director and Executive Director - Vice President - Human Resources - Director of Nomination and Remuneration Committee (Authorized Director) (Since 26 February 2004)	- Master of Science, Agricultural Economics, University of Saskatchewan, Canada - Bachelor of Science, Computer Information System, Western Michigan University, USA. - BBA in Business Administration, Kasetsart University - Director Accreditation Program (DAP) (17/2004) by IOD - Director Accreditation Program (DAP) (71/2006) by IOD	2.258	- Director and Assistant Managing Director	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- KSL Real Estate Co., Ltd. - Onnuch Construction Co., Ltd. - KSL Material Supplies Co., Ltd. - KSL Agro and trading Co., Ltd. - Sub Sri Thai Warehouse PLC.
8. Mr. Tachpong Pakornsiriwongse (67 years old) - Director and Executive Director (Since 26 February 2004)	- Certificate in Financial Management, Chulalongkorn University - Director Accreditation Program (DAP) (21/2004) by IOD	0.004	- Director and Executive Director	- Khon Kaen Sugar Industry PCL.
			- Director and Managing Director	- Tamaka Sugar Industry Co., Ltd.
			- Director	- New Krung Thai Sugar Factory Co., Ltd. - Koh Kong Plantation Co., Ltd. - Koh Kong Sugar Industry Co., Ltd. - New Kwang Soon Lee Sugar Factory Co., Ltd.

Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
9. Mr.Trakarn Chunharojrit (75 years old) - Director and Executive Director - Assistant Vice President - Company Secretary (Since 26 February 2004)	- Certificate in Accounting - Director Accreditation Program (DAP) (17/2004) by IOD	0.309	- Director and Executive Director	- Khon Kaen Sugar Industry PCL.
			- Executive Director	- New Krung Thai Sugar Factory Co.,Ltd. - Tamaka Sugar Industry Co.,Ltd. - KSL. Agro and Trading Co., Ltd - Thai Fermentation Industry Co., Ltd.
			- Director	- New Kwang Soon Lee Sugar Factory Co., Ltd. - Khon Kaen Alcohol Co.,Ltd. - Khon Kaen Sugar Power Plant Co.,Ltd. - KSL Material Supplies Co.,Ltd. - KSL Real Estate Co.,Ltd. - KSL Sugar Holding Co.,Ltd.
Mrs. Rattana Chunharojrit Spouse		0.113		
10. Mr. Chattri Chinthammit (42 years old) - Director (Non - Executive Director) (Since 26 February 2004)	- BBA in Economics, University of The Thai Chamber of Commerce - Master of Science, Computer Science, Bellevue University, USA. - Director Accreditation Program (DAP) (21/2004) by IOD - Successful FORMULATION & Execution Program (SFE) (9/2010) by IOD - TLCA Executive Development Program (EDP) (1/2008) by TLCA	1.303	- Director	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Deputy Managing Director (DMD) - Software Department	- KSL IT Center Co.,Ltd.
11. Mr.Chalush Chinthammit (47 years old) - Director and Executive Director - Vice President- Business Development - Risk Management Committee (Authorized Director) (Since 26 February 2004)	- BBA in Finance and Banking, Assumption University - MBA in Finance and Banking, Mercer University, USA. - Director Accreditation Program (DAP) (21/2004) by IOD - Capital Market Academy Program 10	0.981	- Director and Assistant Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Managing Director	- KSL Real Estate Co.,Ltd.
			- Director	- Khon Kaen Alcohol Co.,Ltd. - KSL. Agro and Trading Co., Ltd. - Savannakhet Sugar Corporation - KSL Export Trading Co.,Ltd. - Onnuch Construction Co.,Ltd. - The Cane and Sugar Act B.E.2527 Committee - Thai Sugar Miller Co.,Ltd. - Thai Sugar Terminal PLC. And subsidiaries - TS Flour Mill PLC.
Mr. Chayapat Chinthammit Minor Children		0.251		
Mr. Chatchapee Chinthammit Minor Children		0.251		
Miss. Chollapim Chinthammit Minor Children		0.008	- Deputy Secretary-General	- Thai Sugar and Bio-Energy Producers Association

Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
12. Mr. Sukhum Tokaranyaset (68 years old) - Director and Executive Director - Senior Vice President - Accounting & Finance (Since 26 February 2004)	Vocational Certificate , Kitti Commerce College - Director Accreditation Program (DAP) (18/2004) by IOD	1.434	- Director and Senior Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director/ Assistant Managing Director	- Thai Fermentation Industry Co.,Ltd.
			- Vice Chairman	- KSL Export Trading Co.,Ltd. - Rajaporcelain Co.,Ltd. - Raja Solar Material Co., Ltd.
			- Executive Director	- Raja Product Co., Ltd. - Raja Solar Material Co., Ltd. - KSL Real Estate Co.,Ltd. - Champion Fermentation Co.,Ltd.
			- Director	- Koh Kong Sugar Industry Co.,Ltd. - KSL. Agro and Trading Co., Ltd. - TFI Green Biotech Co.,Ltd.
			- Managing Director	- Chantaburi Starch Co., Ltd. - Chantaburi Starch and Power Co., Ltd.
13. Mr.Thawatchai Rojanachotikul (62 years old) - Director and Executive Director - Senior Vice President - Administration (Since 26 February 2004) Mrs. Kodchakon Rojanachotikul spouse	- BBA in Business Administration, Auckland Technical Institute, New Zealand - Director Accreditation Program (DAP) (17/2004) by IOD	1.268	- Director and Senior Vice President	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Director	- Savannakhet Sugar Corporation - KSL. Agro and Trading Co., Ltd. - KSL Export Trading Co.,Ltd. - Champion Fermentation Co.,Ltd. - KSL Real Estate Co.,Ltd. - TFI Green Biotech Co.,Ltd. - Thai Fermentation Industry Co.,Ltd.
			- Director/ and Senior Vice President	- Thai Fermentation Industry Co.,Ltd.
14. Mr. Somchat Chinthammit (57 years old) - Director - Remuneration Committee (Non - Executive Director) (Since 26 February 2004)	B.Eng in Mechanical, King Mongkut's University of Technology Thonburi - MIM in Marketing, Thammasat University - Director of Accreditation Program (DAP) (17/2004) by IOD - Directors Certification Program (DCP) (55/2005) by IOD - Audit Committee Program (ACP) (8/2005)	0.519	- Director	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Independent Director	- UOB Kay Hian Securities (Thailand) PLC.
15. Mr. Pramoon Vichiensin (85 years old) - Independent Director - Chairman of Nomination and Remuneration Committee (Since 26 February 2004)	LL.B., Thammasat University - Certificate in Executive Development from NIDA - Director of Accreditation Program (DAP) (11/2004) by IOD - Certificate in Audit Committee Program (ACP) (10/2005) by IOD - Improving The Quality of Financial Reporting (GFR) (4/2006) by IOD	-	- Independent Director	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
			- Qualify person in Law	- Bangkok Metropolitan Administration
			- Advisor on President	- The Constitutional Court
			- Secretary on President	
			- Secretary on Judges	
			- Tax Law Specialist	- Revenue Department of Thailand
			- Subcommittee	- Office of The National Counter Corruption Commission

Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
16. Pol.Gen.Boonpen Bumpenboon (71 years old) - Independent Director - Chairman of Risk Management Committee - Corporate Governance Committee (Since 26 February 2004)	- LL.B., Sukhothai Thammathirat University - BBA in Public Administration, Royal Police Cadet Academy - Diploma, National Defence College (37) - MPA./ Public Administration, NIDA - Director Accreditation Program (DAP) (11/2004) by IOD	-	- Independent Director - Deputy Commissioner - General - Council of State	- Khon Kaen Sugar Industry PCL. - Royal Thai Police - Office of the Council of State
17. Mr. Sitti Leelakasamelurk (62 years old) - Independent Director - Chairman of Audit Committee - Risk Management Committee (Since 26 February 2004)	- BA in Accounting, Chulalongkorn University - Director Accreditation Program (DAP) (11/2004) by IOD	-	- Independent Director - Executive Vice President Support Line1 - Vice Chairman Committee and Member of the Remuneration Committee - Vice President - Director	- Khon Kaen Sugar Industry PCL. - Noble Development PLC. - Continental City Co.,Ltd. - BAN SUK SABAI Co., Ltd. - NK Energy Co., Ltd. - S&P Property Management Co.,Ltd. - Research and Consultant Co.,Ltd.
18. Mrs. Intira Sukhanindr (69 years old) - Director and Executive Director - Vice President - Business Development (Since 25 June 2010)	- Certificate of Secretary, Melbourne, Australia - Director Accreditation Program (DAP) (50/2006) by IOD	0.578	- Senior Vice President - Director - General Manager	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories - Champion Fermentation Co.,Ltd. - Khon Kaen Sugar Industry PLC. - Sub Sri Thai Warehouse PLC. - KSL Agro and Trading Co.,Ltd. - Khon Kaen Sugar Power Plant Co.,Ltd. - KSL Export Trading Co.,Ltd.
19. Mr. Karun Kittisataporn (68 years old) - Independent Director - Nomination and Remuneration Committee - Audit Committee - Corporate Governance Committee (Since 26 February 2010)	- Bachelor of Commerce & Administration Victoria University of Wellington, N.Z. (under Colombo Plan Scholarship) - M.A. (International Trade), Syracuse Univ USA. (under USAID Scholarship) - Sahamit Machinery PLC. - Commercial Policy Course, GATT, Geneva - Director Certificate Programme, Institute of Directors - Role of the Compensation Committee Program - Financial Statements for Directors Program - Audit Committee Program	-	- Independent Director - Independent Director - Chairman of Nomination and Remuneration Committee - Chairman of Nomination and Remuneration Committee - Audit Committee - Permanent Secretary - Executive Chairman - Director	- Khon Kaen Sugar Industry PCL. - Bank of Ayuthaya PLC. - Central Pattana PLC - Central Pattana PLC - Ministry of Commerce - The Support Art and Crafts International Centre of Thailand - Council of State - The Insurance Commission

Name/Position/	Education Background	% of shareholding	Position	Work experience past 5 years - Present Company/Type of Business
20. Mr. Warapatr Todhanakasem (66 years old) - Independent Director - Risk Management Committee - Audit Committee - Chairman Corporate Governance Committee (Since 26 February 2010)	- LL.B. Thammasat University	-	- Independent Director	- Khon Kaen Sugar Industry PCL.
	- B.Econ. (1st Class Honor) Thammasat University		- Chairman and Independent	- Prinsiri PIC.
	- M.B.A. in Finance Kellogg School of Management, Northwestern University, Evanston, Illinois, USA.		- Director	- Amata VN PLC.
	- M.S. in Economics University of Illinois, Urbana-Champaign, USA.		- Director	- True Corporation Public Co., Ltd.
	- Ph.D. in Business Economics University of Illinois, Urbana-Champaign, USA.		- President	- Institute of Research and Development for Public Enterprises of Thailand (IRDP)
21. Ms. Nongluck Phinaitisart (56 years old) - Independent Director - Audit Committee - Corporate Governance Committee (Since 26 February 2010)	- Bachelor Degree in Electrical Engineering, Chulalongkorn University	-	- Independent Director	- Khon Kaen Sugar Industry PCL.
	- Master Degree in Electrical Engineering, University of Missouri, U.S.A.		- Independent Director	- Government Savings Bank
	- Doctorate Degree in Electrical Engineering, Chulalongkorn University		- Chairman of Risk Management	
	- Director Accreditation Program (DAP) Class 4/2003 by IOD		- Chairman and Independent	- Thailand Post
	- Director Certification Program (DCP) Class 71/2006 by IOD		- Chief Commercial Officer	- Thaicom PLC.
22. Mr. Chanachai Chutimavorphand (43 years old) - Vice President Accounting & Finance (Since 1 November 2012)	- CFA Charterholder, Association for Investment Management and Research (AIMR)	2.616	- VP Accounting & Finance	- Khon Kaen Sugar Industry PCL. Affiliate of KSL Sugar Factories
	- Director Accreditation Program (DAP 37/2005)		- Executive Director/ Nomination & Remuneration Committee	- Thai Sugar Terminal PCL.
	- Bachelor Degree of Engineering Chulalongkorn University.		- Director	- Khon Kaen Alcohol Co., Ltd.
	- Bachelor of Law, Chulalongkorn University			- Koh Kong Sugar Industry Co., Ltd.
	- Master Degree of Business Administration, Tennessee University, U.S.A.			- Savannakhet Sugar Corporation
	- Master Degree of Arts, Business Law. Chulalongkorn University.			- KSL Material Supplies Co., Ltd.
				- Onnuch Construction Co., Ltd.
				- KSL Material Supplies Co., Ltd.
				- KSL Real Estate Co.,Ltd.
			- Executive Director	- T S Warehouse Co., Ltd.
				- T S G Asset Co., Ltd.
				- T S Oil Industry Co., Ltd.
				- T S Transport and Logistics Co., Ltd.
				- T S Flour Mill PCL

Name/Position/	Education Background	% of shareholding	Work experience past 5 years - Present Position	Company/Type of Business
23. Mr. Theera Sanguandeekul (65 years old) - Vice President and Regional Director - Western Plant (since 1 November 2012)	- Bachelor BSc. Chemical Technology, Faculty of Science ,Chulalongkorn University 1974 - Master MSc. Chemical Engineering, University of Wisconsin ,Madison, USA, 1975 - University of Wisconsin, Madison, USA - Executive MBA, Kasetsart University, 1996	0.038	- Vice President and Regional Director - Western Plant - Regional Director - Western Plant - Director	- Khon Kaen Sugar Industry PCL. - Khon Kaen Sugar Industry PCL. - Khon Kaen Alcohol Co.,LTD - KSL Material Supplies Co.,LTD. - Koh Kong Sugar Industry Co., LTD (Cambodia) - Savannakhet Sugar Corporation (Lao PDR)
24. Mr. Dhajjai Subhapholsiri (59 years old) - Vice President, Office of Company Secretary and Legal - Company Secretary (since 28 March 2014)	- Bachelor of Laws, Chulalongkorn University - Institute of Legal Education, Thai Bar Association - Master of Laws, Harvard University, USA - UFS 12/2007 (IOD) - Fundamental Practice for Corporate Secretary (FPCS) 29/2014 - Corporate Governance for Executives (CGE) 2014 - Company Secretary Program (CSP 59/2014)	-	- Vice President, Office of Company Secretary and Legal - Company Secretary - SVP, Legal Department	- Khon Kaen Sugar Industry PCL. - Khon Kaen Sugar Industry PCL. - Bangkok Bank PCL.

Remark : Affiliate KSL Sugar Factories:

- Tamaka Sugar Industry Co.,Ltd.
- New Krung Thai Sugar Factory Co.,Ltd.
- New Kwang Soon Lee Sugar Factory Co.,Ltd.

PRINCIPLES FOR INFORMATION DISCLOSURE AND TRANSPARENCY

The disclosure of direct and indirect shareholding of directors in Annual Report

Direct and Indirect Shareholding of Directors as of October 31, 2015 as compared to October 31, 2014

No.	Name	Position	Number of Shares (Shares)		Number of Shares Increase (Decrease) in 2015 (Shares)	Total Percentage of Voting Shares (%)	Remark Split Par Value from 1.00 THB to 0.50 THB on March 3, 2015 Issued Dividend Shares at ratio 5:1 on March 27, 2015
			31.Oct.2014 Par 0.50 THB	31. Oct. 2015 Par 0.50 THB			
1.	Mr.Manu Leopaiprote ●	Chairman of the Board of Directors	-	-	-	-	None
2.	Mr.Chamroon Chinthammit ¹ (Including Spouse and Minor Children)	Director	96,564,356	127,650,366	31,086,010	3.184	Bought additional 10,779,300 KSL shares and Received KSL dividend stock = 20,306,710 shares during the year 2015 (par 0.50 THB)
3.	Mr.Prapas Chutimavoraphand ² (Including Spouse and Minor Children)	Director	28,801,140	41,414,808	12,613,668	1.033	Bought additional 4,382,200 shares and received stock transfer in from daughter 1,486,800 shares and Received KSL dividend stock = 6,744,668 shares during the year 2015 (par 0.50 THB)
4.	Mr.Pornsiri Thaemsirichai ³ (Including Spouse and Minor Children)	Director	45,513,960	54,616,752	9,102,792	1.362	Received KSL dividend stock = 9,102,792 shares during the year 2015 (par 0.50 THB)
5.	Mr.Sukhum Tokaranyaset	Director	53,524,140	57,498,612	3,974,472	1.434	Received KSL dividend stock = 9,583,102 shares and transfer stock out 5,608,630 shares during 2015 (par 0.50 THB)
6.	Mrs.Intira Sukhanindr	Director	19,296,742	23,156,090	3,859,348	0.578	Received KSL dividend stock = 3,859,348 shares during the year 2015 (par 0.50 THB)
7.	Mr.Chalush Chinthammit ⁴ (Including Spouse and Minor Children)	Director	49,787,824	59,845,388	10,057,564	1.493	Received KSL dividend stock = 9,957,564 shares and received stock transfer in 100,000 shares during 2015 (par 0.50 THB)
8.	Ms.Duangdao Chinthammit	Director	75,440,178	90,545,413	15,105,235	2.258	Bought additional 16,000 shares and received KSL dividend stock = 15,089,235 shares during the year 2015 (par 0.50 THB)
9.	Mr.Thawatchai Rojanachotikul ⁵ (Including Spouse and Minor Children)	Director	55,861,820	67,034,184	11,172,364	1.672	Received KSL dividend stock = 11,172,364 shares during the year 2015 (par 0.50 THB)
10.	Mr.Somchai Chinthammit ⁶ (Including Spouse and Minor Children)	Director	86,168,642	103,463,169	17,294,527	2.581	Bought additional 60,800 shares and Received KSL dividend stock = 17,233,727 shares during the year 2015 (par 0.50 THB)
11.	Ms.Duangkae Chinthammit		75,397,912	90,621,494	15,223,582	2.260	Bought additional 120,000 shares and received KSL dividend stock = 15,103,582 shares during the year 2015 (par 0.50 THB)
12.	Mr.Tachpong Pakornsiriwongse		119,820	143,784	23,964	0.004	Received KSL dividend stock = 23,964 shares during the year 2015 (par 0.50 THB)
13.	Mr.Chatrri Chinthammit	Director	43,536,020	52,243,224	8,707,204	1.303	Received KSL dividend stock = 8,707,204 shares during the year 2015 (par 0.50 THB)
14.	Mr.Somchat Chinthammit	Director	17,354,486	20,825,383	3,470,897	0.519	Received KSL dividend stock = 3,470,897 shares during the year 2015 (par 0.50 THB)
15.	Mr.Sitti Leelakasamelur ●	Independent Director	-	-	-	-	None
16.	Pol.Gen Boonpen Bumpenboon ●	Independent Director	-	-	-	-	None
17.	Mr.Pramoon Vichiensin ●	Independent Director	-	-	-	-	None
18.	Ms.Nongluck Phinainittisart ●	Independent Director	-	-	-	-	None
19.	Mr.Worapatr Todhanakasem ●	Independent Director	-	-	-	-	None
20.	Mr.Karun Kittisataporn ●	Independent Director	-	-	-	-	None
21.	Mr.Trakarn Chunharojrit ⁷ (Including Spouse and Minor Children)	Director	14,100,120	16,920,144	2,820,024	0.422	Received KSL dividend stock = 2,820,024 shares during the year 2015 (par 0.50 THB)
22.	Mr.Chanachai Chutimavoraphand	VP Accounting & Finance	87,390,530	104,868,636	17,478,106.00	2.616	Received KSL dividend stock = 17,478,106 shares during the year 2015 (par 0.50 THB)
23.	Mr.Dhajjai Subhapholsiri	Company Secretary	-	-	-	-	Appointed on 28 March, 2014

Remarks ● Independent Director

1. Mr.Chamroon Chinthammit	Shares Held	79,672,274	M.L Charuvadhana Chinthammit (Spouse)	Shares Held	47,978,092	totalled 127,650,366 in 2015
2. Mr.Prapas Chutimavoraphand	Shares Held	21,802,080	Mrs.Sumitra Chutimavoraphand (Spouse)	Shares Held	19,612,728	totalled 41,414,808 in 2015
3. Mr.Pornsiri Thaemsirichai	Shares Held	26,718,360	Mrs.Montanut Thaemsirichai (Spouse)	Shares Held	27,898,392	totalled 54,616,752 in 2015
4. Mr.Chalush Chinthammit	Shares Held	39,345,388	Mr.Chayapat Chinthammit (Minor Child)	Shares Held	10,080,000	
			Mr. Chatchapee Chinthammit (Minor Child)	Shares Held	10,080,000	
			Miss Chollapim Chinthammit (Minor Child)	Shares Held	340,000	totalled 59,845,388 in 2015
5. Mr.Thawatchai Rojanachotikul	Shares Held	50,851,920	Mrs.Korakod Rojanachotikul (Spouse)	Shares Held	16,182,264	totalled 67,034,184 in 2015
6. Mr.Somchai Chinthammit	Shares Held	87,477,933	Miss Natamont Chinthammit (Minor Child)	Shares Held	15,985,236	totalled 103,463,169 in 2015
7. Mr.Trakarn Chunharojrit	Shares Held	12,383,424	Mrs.Rattana Chunharojrit (Spouse)	Shares Held	4,536,720	totalled 16,920,144 in 2015

THE DISCLOSURE OF DIRECTORS' SHAREHOLDING BY SHOWING THE NUMBER OF SHARES HELD AT THE BEGINNING AND END OF THE YEAR, AND TRADED DURING THE YEAR 2015 IN ANNUAL REPORT

Asset holding of directors and senior management at the beginning and end of the year and traded during 2015

No.	Name	Position	Shares Held	During 2015				Shares Held	Total Percentage of Voting Shares (%)
			on 31.Oct.2014 Par 0.50 THB	Buy	(Sell)	Transfer In/ (Transfer Out)	Dividend Stock	on 31.Oct.2015 Par 0.50 THB	
						Par 0.50 THB			
1.	Mr.Manu Leopaiprote ●	Chairman of the Board of Directors		-	-	-	-	-	-
2.	Mr.Chamroon Chinthammit ¹	Director	60,859,812	6,502,100	-	-	12,310,362	79,672,274	1.987
	(Including Spouse and Minor Children)		35,704,544	4,277,200	-	-	7,996,348	47,978,092	1.197
3.	Mr.Prapas Chutimavoraphand ²	Director	12,537,200	4,842,200	(540,000)	1,486,800	3,475,880	21,802,080	0.544
	(Including Spouse and Minor Children)		-	-	-	IN (DAUGHTER)	-	-	-
			16,263,940	80,000	-	-	3,268,788	19,612,728	0.489
4.	Mr.Pornsir Thamsirichai ³	Director	22,265,300	-	-	-	4,453,060	26,718,360	0.666
	(Including Spouse and Minor Children)		23,248,660	-	-	-	4,649,732	27,898,392	0.696
5.	Mr.Sukhum Tokaranyaset	Director	53,524,140	IN (SISTER)		14,391,370	9,583,102	57,498,612	1.434
			-	OUT (5 CHILDREN FOR 4,000,000 EACH)(20,000,000)					
6.	Mrs.Intira Sukhanindr	Director	19,296,742	-	-	-	3,859,348	23,156,090	0.578
7.	Mr.Chalush Chinthammit ⁴	Director	32,787,824	-	-	IN (GRANDMOM)	6,557,564	39,345,388	0.981
	(Including Spouse and Minor Children)		17,000,000			100,000	3,400,000	20,500,000	0.511
8.	Ms.Duangdao Chinthammit	Director	75,440,178	16,000	-	-	15,089,235	90,545,413	2.258
9.	Mr.Thawatchai Rojanachotikul ⁵	Director	42,376,600	-	-	-	8,475,320	50,851,920	1.268
	(Including Spouse and Minor Children)		13,485,220	-	-	-	2,697,044	16,182,264	0.404
10.	Mr.Somchai Chinthammit ⁶	Director	72,898,278	-	-	-	14,579,655	87,477,933	2.182
	(Including Spouse and Minor Children)		13,270,364	60,800	-	-	2,654,072	15,985,236	0.399
11.	Ms.Duangkae Chinthammit		75,397,912	120,000	-	-	15,103,582	90,621,494	2.260
12.	Mr.Tachpong Pakornsiriwongse		119,820	-	-	-	23,964	143,784	0.004
13.	Mr.Chattri Chinthammit	Independent Director	43,536,020	-	-	-	8,707,204	52,243,224	1.303
14.	Mr.Somchat Chinthammit	Independent Director	17,354,486	-	-	-	3,470,897	20,825,383	0.519
15.	Mr.Sitti Leelakasamelurk ●	Independent Director	-	-	-	-	-	-	-
16.	Pol.Gen Boonpen Bumpenboon ●	Independent Director	-	-	-	-	-	-	-
17.	Mr.Pramoon Vichiensin ●	Independent Director	-	-	-	-	-	-	-
18.	Ms.Nongluck Phinainittisart ●	Independent Director	-	-	-	-	-	-	-
19.	Mr.Worapatr Todhanakasem ●	Independent Director	-	-	-	-	-	-	-
20.	Mr.Karun Kittisataporn ●	Independent Director	-	-	-	-	-	-	-
21.	Mr.Trakarn Chunharojrit ⁷	Director	10,319,520	-	-	-	2,063,904	12,383,424	0.309
	(Including Spouse and Minor Children)		3,780,600	-	-	-	756,120	4,536,720	0.113
22.	Mr.Chanachai Chutimavoraphand	VP Accounting & Finance	87,390,530	-	-	-	17,478,106	104,868,636	2.616
23.	Mr.Dhajjai Subhapholsiri	Company Secretary	-	-	-	-	-	-	-

Remark ● Independent Director

★ On March 3, 2015, the Company split par value from 1.00 THB to 0.50 THB

★ On March 27, 20015 The Company pay dividend stock at ratio 5:1

1. Mr.Chamroon Chinthammit	Shares Held	79,672,274	M.L Charuvadhana Chinthammit (Spouse)	Shares Held	47,978,092	totalled	127,650,366	in 2015
2. Mr.Prapas Chutimavoraphand	Shares Held	21,802,080	Mrs.Sumitra Chutimavoraphand (Spouse)	Shares Held	19,612,728	totalled	41,414,808	in 2015
3. Mr.Pornsir Thamsirichai	Shares Held	26,718,360	Mrs.Montanut Thamsirichai (Spouse)	Shares Held	27,898,392	totalled	54,616,752	in 2015
4. Mr.Chalush Chinthammit	Shares Held	39,345,388	Mr.Chayapat Chinthammit (Minor Child)	Shares Held	10,080,000			
			Mr. Chatchapee Chinthammit (Minor Child)	Shares Held	10,080,000			
			Miss Chollapim Chinthammit (Minor Child)	Shares Held	340,000	totalled	59,845,388	in 2015
5. Mr.Thawatchai Rojanachotikul	Shares Held	50,851,920	Mrs.Korakod Rojanachotikul (Spouse)	Shares Held	16,182,264	totalled	67,034,184	in 2015
6. Mr.Somchai Chinthammit	Shares Held	87,477,933	Miss Natamont Chinthammit (Minor Child)	Shares Held	15,985,236	totalled	103,463,169	in 2015
7. Mr.Trakarn Chunharojrit	Shares Held	12,383,424	Mrs.Rattana Chunharojrit (Spouse)	Shares Held	4,536,720	totalled	16,920,144	in 2015

NAME OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATES OF KHON KAEN SUGAR INDUSTRY PCL.

on Oct 31,2015

No.	Name	Position	Subsidiaries and Associates													
			Position													
			Khon Kaen Sugar Industry PCL.													
			1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Mr. Manu	Leopairote	Chairman	X	X	X										
2.	Mr. Chamroom	Chinhammit	Director /	//	//	//		X	X	X	X	X	X	X		X
		Chief Executive Officer and President														
3.	Mr. Prapas	Chutimavoraphand	Director / Executive Director	//	//	//	//		/		/					
4.	Mr. Pornsin	Thaemsirichai	Director / Executive Director	//	//	//		/	/	/				/	X	
5.	Mr. Sukhum	Tokaranyaset	Director / Executive Director	//	//	//	/				/	/	/			/
6.	Mr. Thawatchai	Rojanachotikul	Director / Executive Director	//	//	//	/				/	/	/	/		
7.	Mrs. Intira	Sukhanindr	Director / Executive Director	//	//	//		/			/	/				
8.	Ms.Duangdao	Chinhammit	Director / Executive Director /	//	//	//				/	/		/			
		Nomination and Remuneration Committee														
9.	Mr.Somchai	Chinhammit	Director / Executive Director	//	//	//	/		/	/		/				
10.	Ms. Duangkae	Chinhammit	Director / Executive Director	//	//	//										
11.	Mr. Somchart	Chinhammit	Director / Nomination and Remuneration Committee	/	/	/										
12.	Mr. Tachpong	Pakornsiriwongse	Director / Executive Director	//	//	//										
13.	Mr. Chalush	Chinhammit	Director / Executive Director /	//	//	//	/	/	/	/	/	/	/	/	/	/
		Risk Management Committee														
14.	Mr. Chatri	Chinhammit	Director	/	/	/										
15.	Mr. Trakarn	Chunharojrit	Director / Executive Director	//	//	//		/	/	/	/		/			
16.	Mr.Pramoon	Vichiensin	Independent Director / Chairman of Nomination and Remuneration Committee													
17.	Pol.Gen.Boonpen	Bumpenboon	Independent Director / Chairman of Risk Management Committee / CG Committee													
18.	Mr. Sitti	Leelakasemlurk	Independent Director / Chairman of Audit Committee / Risk Management Committee													
19.	Mr. Karun	Kittisataporn	Independent Director / Audit Committee / Nomination and Remuneration Committee / CG Committee													
20.	Mr. Warapatr	Todhanakasem	Independent Director / Chairman of CG Committee / Risk Management Committee / Audit Committee													
21.	Ms. Nongluck	Phinainitisart	Independent Director / Audit Committee / CG Committee													
22.	Mr. Chanachai	Chutimavoraphand	Vice President			//		/	/			/	/		/	
23.	Mr. Theera	Sanguandeekul	Vice President					/	/				/		/	
24.	Mr. Wiraj	Chunfong	Assistant Vice President						/				/			
25.	Mr. Narong	Jitnomrat	Assistant Vice President										/			
26.	Mr. Piripon	Chinhammit	Assistant Vice President								/	/	/	/	/	
27.	Mr. Thirapong	Nacasakseevee	Assistant Vice President / Managing Director									/				

**NOTE : 1) Symbols/Position

X Chairman, / Director, // Executive Director

2) Name of Subsidiaries and Associates

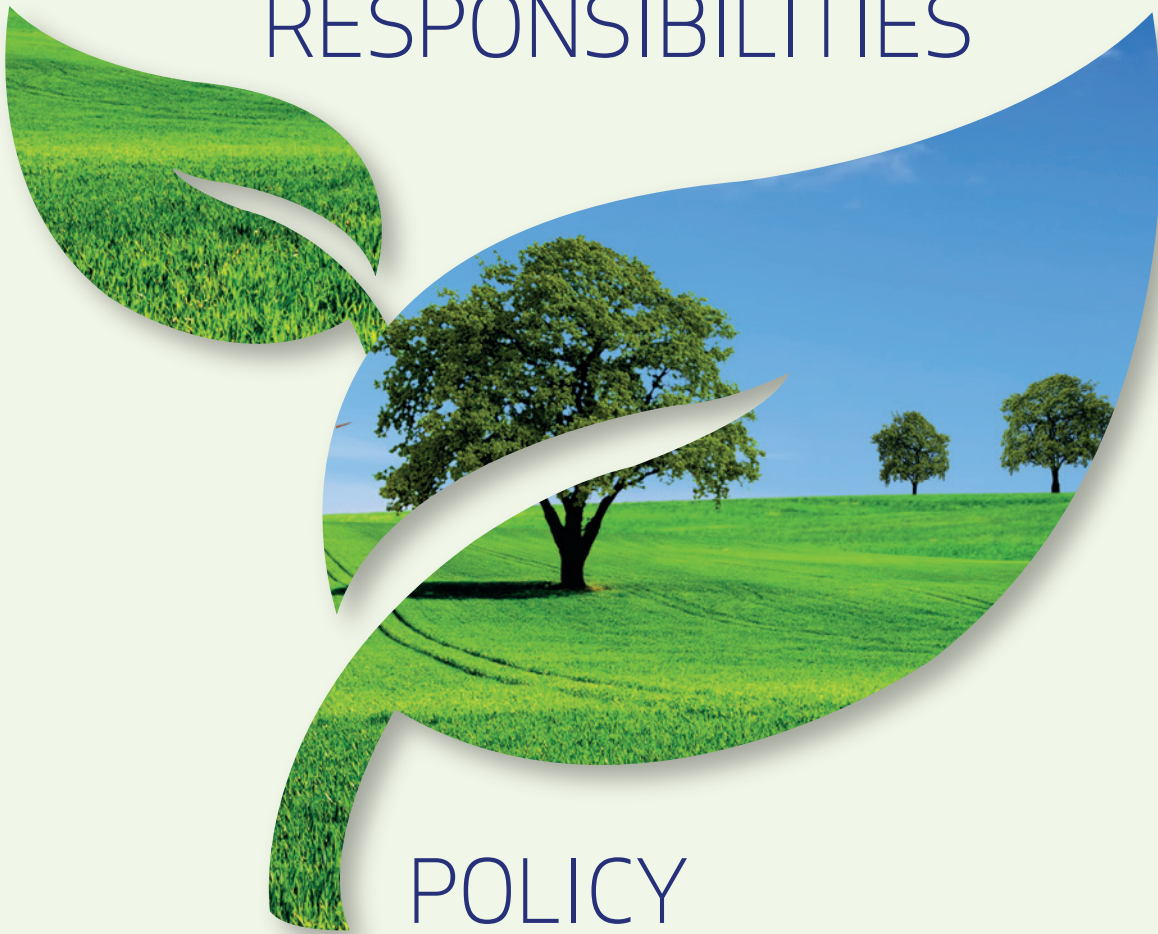
1. Tamaka Sugar Industry Co., Ltd. 2. New Krung Thai Sugar Factory Co., Ltd. 3. New Kwang Soon Lee Sugar Factory Co., Ltd 4. Thai Sugar Terminal Plc.

5. KSL Export Trading Co., Ltd. 6. Khon Kaen Sugar Power Plant Co., Ltd. 7. Khon Kaen Alcohol Co., Ltd. 8. KSL Material Supplies Co., Ltd.

9. KSL Real Estate Co., Ltd. 10. Champion Fermentation Co., Ltd. 11. KSL Agro and Trading Co., Ltd. 12. Savannakhet Sugar Corporation

13. Koh Kong Plantation Co., Ltd. 14. Koh Kong Sugar Industry Co., Ltd.

CORPORATE SOCIAL RESPONSIBILITIES



POLICY

Khon Kaen Sugar Industry Public Company Limited is strongly committed to operating its businesses responsibly. The company's corporate social responsibility (CSR) programs are created to continuously support the local communities and the environment that surrounds them. The company believes in respecting human rights and the protecting the interests of its stakeholders including the society and the country at large, through ethical practice and transparent operations.

The company is determined to advance its sugar and related businesses ethically and responsibly. Its commitment towards stakeholders, communities, society, and environments are detailed as follow:

- 1. Corporate Governance :** The company aims to become part of a leading organization in Thailand. To this effect, it looks to promote sustainable growth, to build good reputation and credibility amongst its investors and other stakeholders, to adopt ethical business practices and to strictly follow good corporate governance guidelines.
- 2. Respect for Human Rights :** The company supports the principle of human rights. To this effect, it will conduct activities that support human rights and the right to freedom. The company believes in the principle of equality and will not tolerate discrimination of race, age, and gender. It is also against the use of child labor and any form of corruption. At present, the Company is in the process of applying for no child labor and no force labor workplace certification.

3. Fair Employee Treatment : The company will give fair compensation to its employees at the level that is appropriate to the industrial environment of Thailand and any changes in the organizational structure will be done responsibly and in accordance with the law of Thailand. The company created an Employee Benefit Committee so that its employees can participate in the management of the benefits that they will receive. The objectives are to provide further benefits to employees so that they can work happily and more efficiently. The company also created a provident fund that would help employees save and invest money towards their retirement. The company received its TLS 8001-2553 certificate, the highest recognition for businesses that operate with social responsibility from Department of Labor Protection and Welfare of Thailand and has been maintaining the same standard for 8 consecutive years. Additionally, the company created Health and Safety Committee to oversee the health and safety policy and practice at all its factories. The committee is responsible for regularly testing safety alarms, placing fire extinguishers at appropriate locations, organizing fire drills and related training.

4. Care for the Environment : The company has in place an environmental policy that strictly follows the government law and regulation as well as other environmental standards such that it may be able to reduce and/or eliminate waste systematically. It also has put in place measures to ensure the efficiency of its waste management and collect data to compare and improve its waste reduction performance. For example, at its sugar mills, the company uses ESP (Electro Static Precipitator) technology to catch dust from heating the steamer; at ethanol plant, the waste water from production is used to mixed with filter cake (by product of making sugar) to make bio-fertilizer that is environmentally friendly and good for local cane farmers. Prior to the start of any new project that may negatively affect the environment and local communities, the company will first conduct an environmental impact assessment (EIA) first so that it may analyze the positive and negative results from the project and set policies to prevent and reduce its environmental impact.

5. Adopt Good Business Ethics : The company intends to conduct its operations ethically, in compliance with the law and societal practice, and remain politically neutral.

6. Customer and Supplier Care : The company places great importance in producing high quality sugar that is safe for human consumption. It also aims to continuously provide good service to its customers and suppliers and hope that in return, the company will receive the same high quality and service from them and therefore able to build a longstanding relationship.

7. Community participation and development The company considers the needs of the community and the importance of people as vehicle of building strong and ethical communities. It supports activities that help educate people, build strong culture and society, and improve quality of everyone's life. The company encourages its employees to participate and volunteer in all activities that will positively serve society.

Additionally, the company's management strongly supports His Majesty King Rama 9th "Sufficiency Economy" philosophy. The company established AgriNature Center on its KSL Riverkwai estate located in Kanchanaburi province. This center becomes a member to the AgriNature Foundation that is founded to help people put His Majesty's philosophy into practice. The company systematically promotes this philosophy to its employees and to interested individuals from the communities surrounding its factories through hands-on training at the AgriNature Center so that they may adopt His Majesty's sufficiency economy philosophy and use it in their daily life.

The company believes that its continuous efforts in its various different CSR programs can help improve the quality of life of its stakeholders and help the company and the society at large to build a sustainable future together.

CORPORATE SOCIAL RESPONSIBILITY REPORT 2015



The Khon Kaen Sugar Industry Public Company Limited and subsidiaries give importance to striking the right balance between successful business operation, corporate governance, social responsibilities and environmental protection.

Earlier in this annual report, the Company has described its corporate governance policies and executions. In this part, additional information related to the Company's corporate social responsibility programs will be reported, particularly on the application of CSR policies to the Company's raw material management, environmental protection, safety, human resource development, and social and relationship activities at headquarter and factories.

The group of companies and the dimensions of the Company's corporate social responsibility programs are as follows:

Company	Raw Material Management	Environmental Protection	Safety	HR Management	Social & Charitable Activities
KSL Nampong Branch	●	●	●	●	●
KSL Wangsapong Branch	●	●	●	●	●
KSL Tamaka Branch	●	●	●	●	●
KSL Boploy Branch	●	●	●	●	●
KSL Panasnikom Branch	●	●	●	●	●
Khon Kaen Sugar Power Plant (Nampong, Wangsapong, Boploy Branches)		●	●	●	●
Khon Kaen Alcohol (Nampong, Boploy Branches)		●	●	●	●
Headquarter			●	●	●

1. Raw Material Management

Cane is the main raw material for KSL's sugar production. The Company gives great importance to harvesting and sourcing high quality cane that would yield high quality sugar. During the last year, the Company pays attention to soil preparation, cane maintenance, cane cutting and deliveries to ensure it obtains high quality raw material with the least impurity.

Soil Preparation : The Company supports its contract cane farmers to prepare their soil in advance and appropriate for each season.



Cane Maintenance : The drought caused cane to dry up and wilt before harvest. The Company attempted to counter this problem and joined the Office of Sugar Cane Fund to give loan to cane farmers to solve the drought problems since 2013.

Cane Cutting : Problems in cane cutting as follows:

- A. Labor Shortage : Due to shortage of labor, the Company encourages cane farmers to use machines to cut cane instead. The Company joined the Office of Sugar Cane Fund and offer loan to farmers to obtain cane cutting machines since 2013.



- B. Cane burning before cutting : Burnt cane make them easier to cut but damaged the quality of cane yields, polluted the air, and lowered the cane price/ton. The Company joined the government's campaign to reduce cane burning and gave awards to farmers who delivered freshly cut cane.



- C. Dirty Cane : Often cane delivered includes many impurities like sand, dirt, and other objects. The Company tried to fix this problem by 1) demonstrating the correct method of cane cutting, 2) giving rewards to delivery of clean canes, 3) conducting cane quality inspections at all delivery sites, 4) arranging seminar to educate farmers of problems from dirty cane deliveries and correct methods to use mechanical cane cutter and pick up that reduced contamination 5) conducting random cane truck inspections to remove impurities and contaminants, 6) issuing written warning otherwise rejecting future dirty cane delivery.



2. Environmental Protection

Air

Previously, the Company used wet scrubber technique to filter dust and smoke. Later, the Company has replaced this technique with the Electro Static Precipitator (ESP) system because it is a more advance air filtration technology that can significantly improve the capacity to filter dust and smoke and therefore is friendly to surrounding communities and environment.

The ESP system uses Multi-cyclone air filter system that removes fine particles, like dust and smoke, from a flowing gas using the force of an induced electrostatic charge minimally impeding the flow of gases through the unit. ESP can filter dust particles smaller than 1 micron and is 90% effective. There are 3 steps to ESP air filtration: 1) induced electrostatic charge to dust particles, 2) filtering charged dust particles from the air 3) collecting dust particles in the container by rapping and vibrating.

Air Filter Performance Comparison

Steam Boiler	Before	After Improvement	Notes
80 Ton/hr.(No.1)	TSP 320 mg./m3 SO2 60 ppm. NOx 200 ppm.	TSP (Normal Operation) 98.8 mg./m3 TSP (Soot Blowing) 106.7 mg./m3 SO2 48.7 ppm. NOx 171.7 ppm.	Improvement from Multicyclone type Multicyclone type connected in series with the system Wet Scrubber
80 Ton/hr.(No.2)	TSP 320 mg./m3 SO2 60 ppm. NOx 200 ppm.	TSP (Normal Operation) 84.70 mg./m3 TSP (Soot Blowing) 91.50 mg./m3 SO2 48.40 ppm. NOx 171.70 ppm.	Improvement from Multicyclone type Multicyclone type connected in series with the Wet Scrubber Multicyclone type connected in series with the system Electrostatic
120 Ton/hr.	TSP 320 mg./m3 SO2 60 ppm. NOx 200 ppm.	TSP (Normal Operation) 70.60 mg./m3 TSP (Soot Blowing) 79.10 mg./m3 SO2 48.40 ppm. NOx 171.70 ppm.	Improvement from Multicyclone type Multicyclone type connected in series with the Wet Scrubber Multicyclone type connected in series with the system Electrostatic
200 Ton/hr.	TSP 320 mg./m3 SO2 60 ppm. NOx 200 ppm.	TSP (Normal Operation) 70.60 mg./m3 TSP (Soot Blowing) 79.10 mg./m3 SO2 48.40 ppm. NOx 171.70 ppm.	Improvement from Multicyclone type Multicyclone type connected in series with the Wet Scrubber Multicyclone type connected in series with the system Electrostatic

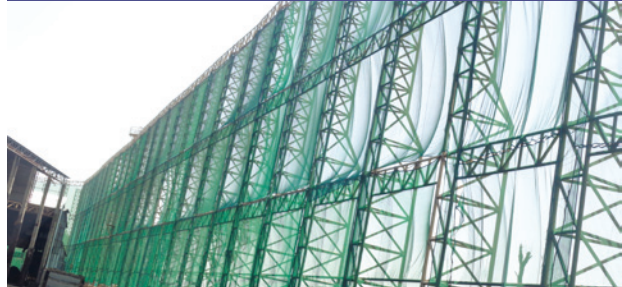
Notes : Emission calculated based on EIA Air Filtration report for Tamaka Sugar Industry Co., Ltd.

The Company tries to further reduce and prevent additional dust from dispersing in the air by using wind sock to monitor wind direction, spray water on bagasse piles, and installs 24 meters high with 3mm fine nets. The Company also monitors air quality in areas adjacent to the factories.

Water Curtain



Bagasse Net



Wind Sock



Additionally, the Company plants trees behind the 24 meters high nets according to EIA requirement. The Company planted 3 successive rows of plants: first row of 160 Son Pradi Phat or *Casuarina junghuhniana* Miq tree at 2 meters intervals, second row of 1000 Mok Bann or *Wrightia religiosa* Benth at 3 meters intervals, and third row of 160 Asoke India or *Polyalthia longifolia* at 2 meters intervals.

Area behind the net before planting trees



Area behind the net after planting trees



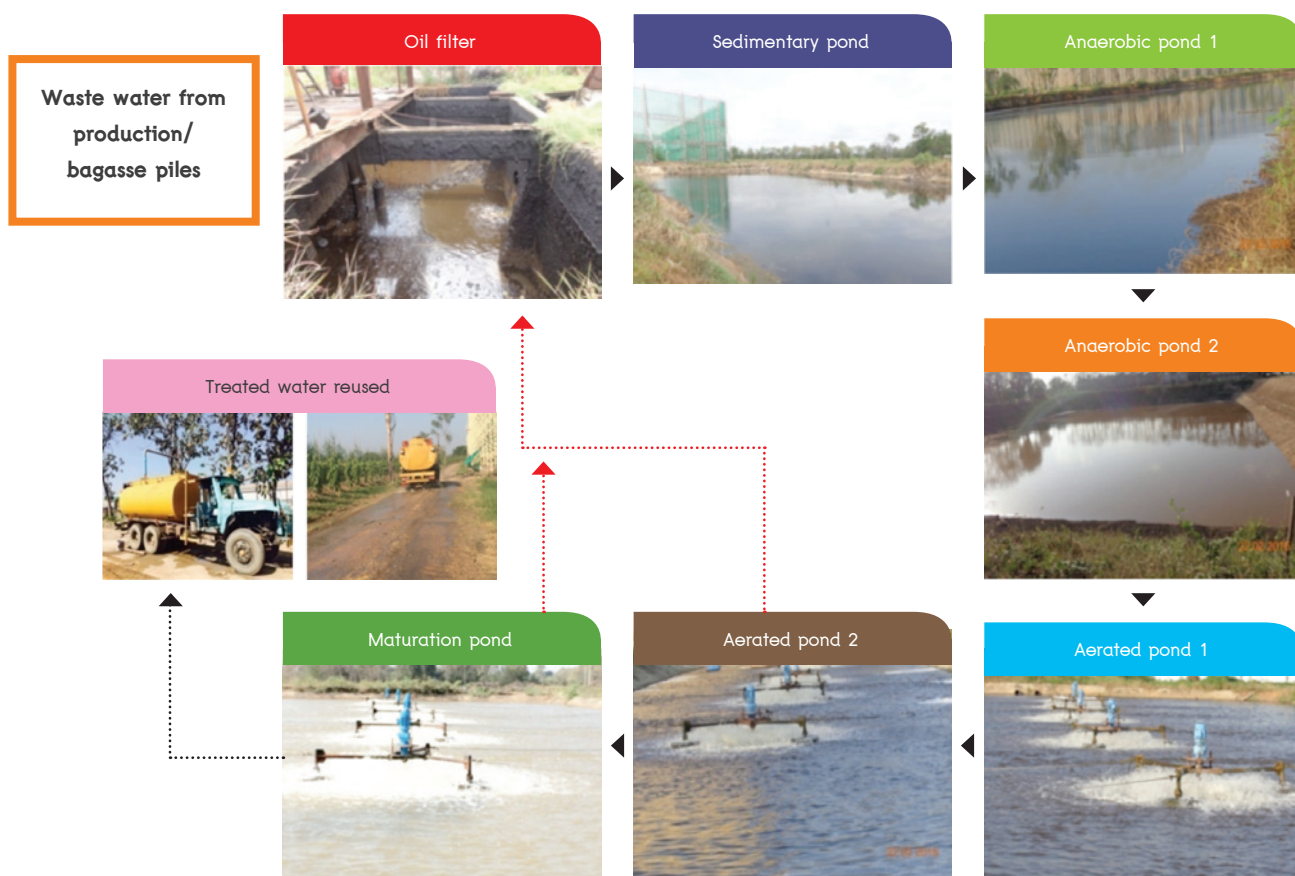
Water

Waste Water Treatment: All waste water that has been treated to the required standard is reused within the factories' green area and sprayed on factory roads and bagasse piles to prevent dust from dispersing into the air and nearby communities.

Origin of Waste Water and Treatments

Origin of Waste Water	Volume (cubic meter/day)	Treatment Method
1. Waste Water from Daily Personnel usage	36	Send to water treatment facility for processing Reuse to remove bagasse ashes in steam boiler system, wet air filtration, and cooling system.
2. Water from Boiler	720	
3. Water from cleaning machineries	309.6	Send to water treatment facility for processing Partly used to spray on bagasse pile and to reduce dust dispersement. Excess is sent to water treatment facility for processing
4. Water from cleaning bagasse piles (Infrequent Occurance)	396	
Total Waste Water	1,461.6	-
Total waste water sent to water treatment facilities (treatment capacity 1,300 CubicMeter/day)	741.6	-

Water Treatment System



Other Waste Management

Origin of Waste	Type of Waste According to Minister of Industry Regulation on Disposal of Waste and Non-use Items B.E.2548	Volume	%Reuse/Recycle/Reduce	Container	Storage before Disposal	Disposal Method
1. Daily Waste from Personnel	Is not part of the above regulations but is part of Public Health Law (No. 2) B.E. 2550	450 kg/day	10 % Reused/ 10 % Recycle 0 % Reduce	Categorized Rubbish Bins	Rubbish Bin	Send to Tamaka Municipality for Disposal
2. Industrial Waste 2.1 Used Lubricating Oil from Machine Maintenance	Waste Group 13 02 08 (Oil Waste of machine, gear, and lubricating oil) and Group 13 05 06 (Oil Waste from water-Oil separator device) Dangerous Waste	2.5 tons/year Recycle	100 % External	200 Liter Barrel with Lid	Waste Storage Building	Send to professional industrial waste disposal company licensed by the Department of Industrial Works.
2.2 Used Resin from Soft-Water Treatment	Waste Group 19 09 05 (Used and Saturated Resin) Are considered Not Dangerous Waste	2 cubic meter/ year	100 % External Recycle	200 Liter Barrel with Lid	Waste Storage Building	Send to professional industrial waste disposal company licensed by the Department of Industrial Works.
2.3 Ashes from burning bagasse to fuel steam boiler	Waste Group 10 01 01 (Heavy Ashes and Dust from steam boiler that is not group 10 01 04) and waste group 19 08 02 (solid waste like dust from air filtration system such as Bag House, ESP, Cyclone, Scrubber that is not waste group 19 80 01) is not dangerous waste	10,260 tons/year	100 % External Recycle	In the pond and ash storage silo	In the pond and ash storage silo	Send to cane farmers to mix with filter cake and use as fertilizer

Waste Separation and Storage



AWARDS

A : Tamaka Sugar Industry Co., Ltd awarded the "2015 Outstanding Water Protection and Treatment Award" from Department of Industrial Works, Ministry of Industry.



B : Tamaka Sugar Industry Co., Ltd awarded the "2015 3Rs Waste Management Award" from Department of Industrial Works, Ministry of Industry on August 4, 2015.



C : Tamaka Sugar Industry Co., Ltd awarded the "2015 CSR-DIW Award" from Department of Industrial Works, Ministry of Industry on September 9, 2015.



3. Safety

The Company gives importance to safety in the workplace and in particular food safety and the safety of its employees.

Food Safety : The Company produces four types of sugar: Hi-Polarized Sugar, Raw Sugar, White Sugar and Refined Sugar. The quality and safety of the sugar produced meet local and international standards including FSSC 22000 ,GMP, HACCP, HALAL, TLS 56-2552, and Kosher. The certification also enables the company to sell the products to wide variety of customers.



Employee Safety : As a manufacturing company, it is important to focus on the safety of employees and their supervisors. Employees are alerted to hazardous work areas and educated on safety measures and prevention of potential injury from the work processes. The required safety courses for employees are as follows:

1. Fire Safety – fire prevention, evacuation, and fire extinguishing training for all employees annually. The objectives are to familiarize employees with fire prevention and extinguishing technique, to learn fire evacuation routes, to reduce risk of causing fire, to protect life and other valuables, as well as encourage employees' participation in fire prevention.
2. Electricity Safety – The objective is for employees to learn to work safely with electricity and electrical equipment in industrial workplace, to learn how to examine electrical equipments and to spot malfunctioning equipment and prevent fire.
3. Health and Environmental Safety training and best practice for new employees
4. Emergency training to handle fire from chemical leak. The objectives are for all employees to learn how to deal with fire from chemical leak so as to reduce the risks and damage of such fire as well as how to restore the safety of the work environment after such fire.

There are also specialized safety courses for employees performing specific tasks. For examples:

1. Safety and Containment of Chemical Leak
2. Crane Operation and Safety Training for crane operators and assistants
3. Workplace safety for employees working in minimal air area

4. Human Resource Development

To ensure the Company's high product quality and standard of management according to the International Organization of Standardization's Quality Management System (ISO 9001:2008), Food Safety System Certification (FSSC 22000), Thai Labor Standard (TLS 8001), the Company provides mandatory training courses as well as other skills and knowledge development courses to its employees as follows:

Mandatory Courses

1. New Employee Orientation
This course provides basic knowledge about sugar cane industry and the Company's history, culture, structure, management system, and products. With this knowledge, new employees can understand the KSL's work environment and begin to work with their colleague smoothly.
2. Work Place Safety
This course provides knowledge on workplace safety. It will make employees aware of hazardous areas in the workplace and learn how to work safely and prevent dangerous accidents. The Company also created a committee to ensure health and environmental safety according to the required standard of 2543.
3. Quality Management System (ISO 9001: 2008)
This course provides relevant employees with knowledge and understanding of the ISO 9001:2008 quality management system. Employees shall learn to master their assigned tasks and responsibilities and follows the required production and quality standard so that customers can have confidence in our products that are managed and produced under internationally accepted standards.

4. Food Safety System (FSSC 22000)

This course provides relevant employees with knowledge and understanding of Food Safety according to the FSSC 22000 standard. Employees shall learn and plan to prevent food contamination to ensure customer's confidence in our products.

5. Thai Labor Standard (TLS 8001-2553)

This course is to provide employees with knowledge and understanding of Thai Labor laws and standard such as freedom of expression, non-discrimination practice, respect for human rights, and workplace health and safety regulations.

6. Team Building Based on Sufficiency Economy Philosophy

This training shall increase the effectiveness and efficiency of employees when working in teams, allowing them to get to know each other better and develop good working relationships. The adoption of His Majesty the King's Sufficiency economy principles of moderation, reasonableness, and self-immunity shall help the employees lead a sustainable life.

Other Skills and Knowledge Development Courses

The Company recognized the importance of continuous improvement of its employees' skills and knowledge and therefore provides training courses to enhance those skills and knowledge so that the Company can increase work effectiveness and efficiency of employees at all level.

1. Top Management Level

The development courses and training for top management level focuses on new management knowledge and techniques so that the top management can set future direction for the Company, make strategic plan to achieve future goals and in time for the rapid changes in the competitive environment. Examples of courses are: Strategic Thinking and Executives, Directors Strategic Workshop, and Risk Management Workshop.

2. Management Level

The development courses and training for management level emphasizes on general management to make better and more efficient management plan and leadership development for sustainable growth. Examples of courses are: Mini MBA for KSL, HR For Non-HR, The Leader as Coach, Competency for Executive Management, Effective Performance Management System, and Business Continuity Management System.

3. Supervisor Level

The development courses and training for supervisor level focuses on increasing their personal skill sets, knowledge of the job operation, art of communication, and team work to improve work effectiveness and efficiency as well as to create positive attitude towards the Company. Examples of courses are: Effective Presentation Technique, Negotiation for Results, KSL Excellence Team, and writing courses for reports and for formal correspondence with government agencies and other businesses.

4. Operation Level

The development courses and training for operation level emphasizes on increasing employee's knowledge of their skills and work responsibilities as well as the tools that can help them increase their efficiency. Examples of courses and activities are: 5 Sor, QCC, Workplace Safety, Anti-Corruption and Anti-Bribery Policy, etc.

5. One Point Knowledge (OPK) and One Point Lesson (OPL) and One Point Sharing (OPS) Programs

OPK, OPL, and OPS programs are the Company's knowledge management tools. The employees share knowledge in different areas of operations as they learn them through their jobs and outside meetings, conference, and seminars. The written reports submitted by each employee are stored and shared with colleagues within the department and when relevant, shared with the entire organization. These tools are implemented to encourage learning and sustainable organizational improvement that would help the Company's realize its goals more efficiently.

The Company required all managers to plan a budget and training courses for employees under their supervision as well as to monitor and to make assessment after each courses.

5. Social and Charitable Activities

The Company engages in many social and relationship activities annually. For 2015, the completed programs are as follows:

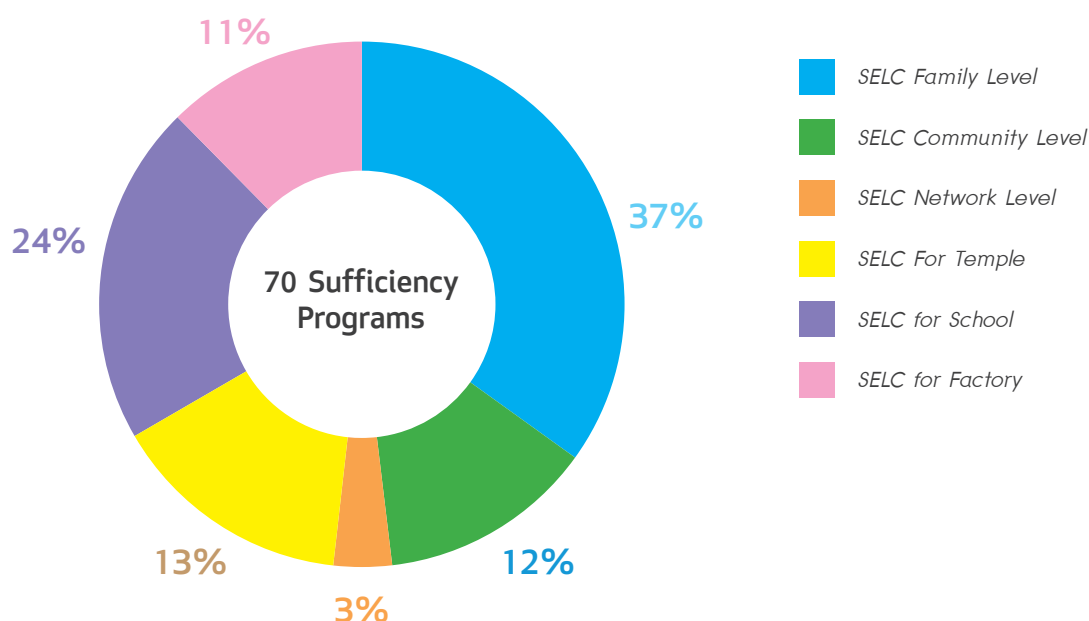
1. 70 Year KSL, 70 Sufficiency Program

Khon Kaen Sugar Industry PCL is an organization that has been growing with local communities for many years. It has created a project to celebrate its 70th Anniversary since 2012 under the name "70 Year KSL, 70 Sufficiency Programs." The project aims to spread the knowledge from His Majesty the King's Sufficiency Economy Principles to communities through various activities so that the principles may be adopted and used on a regular basis. The company supports the opening of the Sufficiency Economy Learning Centers for employees, local communities, temples, schools, and other interested persons so that they may gain first-hand knowledge and experience on how the principles can be used in everyday life. The goal for these activities is to create a sustainable environment where both the business and its local communities can grow prosperously together in the future.

Khon Kaen Sugar Industry PCL has successfully created 70 Sufficiency Economy Learning Centers (SELC) for the communities located around its five different factories scattered across Thailand. The operating budget for the "70 Year KSL, 70 Sufficiency Programs" is 9.8 million THB and a total of 1,700 persons (1,000 KSL employees and 700 are local community members), attending a training about Sufficiency Economy principles and practices. It is estimated that there are more than 10,000 people who benefit from this program.

The training at the learning centers focused on land management using new agricultural theory that promotes the maximization of agricultural yields from a given plot of land using organic methods. A farmer who owns a plot of land can learn to divide it into different sections in order to farm sugar cane and rice and grow his/her own food such as herbs, vegetables, and raise farm animals such as chicken, pigs, frogs and fish. The goal is for the farmers to be able to lead a sustainable life and be self-sufficient based on the products grown and made on his/her land and able to earn extra income for the family by selling any additional products. At the learning center, lessons on simple accounting are taught so that farmers can learn to manage their money well. Additionally, farmers can learn to make their own household products such as soap, vinegar, charcoal, cleaning solutions and more using products available from his/her land.

In the future, the company anticipates that each learning centers will be self-sufficient by reinvesting seed money from income generated from selling products made by using the provided knowledge and skills to fund new endeavors. The company will continue to share knowledge and give support and funding to ensure that each center can manage its operation independently.



Factories	SELC Family Level	SELC Community Level	SELC Network Level	SELC Temple	SELC School	SELC Factory	Total
KSL Nampong Branch	6	2	0	2	3	1	14
KSL Wangsapong Branch	4	3	1	2	3	4	17
KSL Tamaka Branch	9	0	0	2	4	1	16
KSL New KrungThai Branch	6	1	0	2	5	1	15
KSL New Kwang Soon Lee Branch	1	2	1	1	2	1	8
Total	26	8	2	9	17	8	70

Table 1 : List of Sufficiency Economy Learning Centers around KSL factories

Location	Number	Sufficiency Economy Learning Center (SELC)	Community	Temple	School	Factory
KSL Nampong Branch, Khon Kaen Province	1	ชุมชนบ้านม่วงหวาน	/			
	2	ชุมชนบ้านกุดน้ำใส	/			
	3	ชุมชนบ้านนาอู	/			
	4	ชุมชนบ้านโสกแสง	/			
	5	ชุมชนบ้านสนามบิน	/			
	6	ชุมชนบ้านคงเย็น	/			
	7	ชุมชนบ้านสร้างแข่ง	/			
	8	ชุมชนศูนย์รักษาดินรักษาน้ำ	/			
	9	ชุมชนวัดชัยศรีบ้านเสียว		/		
	10	ชุมชนวัดมหาชัย		/		
	11	ชุมชนโรงเรียนโคกสูงกุดน้ำใส			/	
	12	ชุมชนโรงเรียนบ้านวังชัย			/	
	13	ชุมชนโรงเรียนโคกสูงประชาสรรค์			/	
	14	โรงงาน บมจ. น้ำตาลขอนแก่น				/
KSL Wangsapong Branch, Loei Province	15	ชุมชนบ้านหินแก้งพัฒนา	/			
	16	ชุมชนบ้านท่าเจริญ	/			
	17	ชุมชนบ้านโนนสว่าง	/			
	18	ชุมชนไร่วิเศษยา	/			
	19	ชุมชนสวนรุ่งทิพย์	/			
	20	ชุมชนบ้านท่าขาม	/			
	21	ชุมชนไร่โชคสมคิด	/			
	22	ชุมชนป่ารักษาน้ำ	/			
	23	ชุมชนวัดศรีอุทัย		/		
	24	ชุมชนวัดป่าสันติธรรม		/		
	25	ชุมชนโรงเรียนบ้านเหมืองแบ่ง			/	
	26	ชุมชนโรงเรียนบ้านวังกกเคื่อ			/	
	27	ชุมชนโรงเรียนบ้านนาดอกไม้ มีครภาพที่ 120			/	
	28	โรงงาน บมจ. น้ำตาลขอนแก่น สาขาวังสะพุง				/
	29	โรงงานศูนย์ขนถ่ายผาขาว				/
	30	โรงงานบ้านพักพนักงาน				/
	31	ชุมชนรอบโรงงาน บมจ. น้ำตาลขอนแก่น สาขาวังสะพุง				/

Location	Number	Sufficiency Economy Learning Center (SELC)	Community	Temple	School	Factory
KSL Tamaka Branch, Kanchanaburi	32	ชุมชนบ้านห้วยเหนียว	/			
	33	ชุมชนบ้านท่าตะคร้อ	/			
	34	ชุมชนบ้านท่ากระทุ่ม	/			
	35	ชุมชนบ้านวังคัง	/			
	36	ชุมชนบ้านสำนักเย็น	/			
	37	ชุมชนบ้านหนองไม้แก่น	/			
	38	ชุมชนบ้านพังครุ	/			
	39	ชุมชนบ้านเขาขลุง	/			
	40	ชุมชนบ้านแสนตอ	/			
	41	ชุมชนวัดท่ากระทุ่ม		/		
	42	ชุมชนวัดหมอเผ่า		/		
	43	ชุมชนโรงเรียนวัดท่ากระทุ่ม			/	
	44	ชุมชนโรงเรียนวัดท่าตะคร้อ			/	
	45	ชุมชนโรงเรียนพนมทวนชนูปถัมภ์			/	
	46	ชุมชนโรงเรียนท่าเรือพิทยาคม			/	
	47	โรงงาน บริษัท น้ำตาลท่ามะกา จำกัด				/
KSL Boploy Brahch, Kanchanaburi	48	ชุมชนบ้านทัพพระยา	/			
	49	ชุมชนบ้านไร่	/			
	50	ชุมชนบ้านช่องค่าน	/			
	51	ชุมชนบ้านหนองกระทุ่ม	/			
	52	ชุมชนบ้านยางสูง	/			
	53	ชุมชนบ้านวังทอง	/			
	54	ชุมชนบ้านจงเจริญ	/			
	55	ชุมชนวัดหลุมรัง		/		
	56	ชุมชนวัดลำเหยสามัคคีธรรม		/		
	57	ชุมชนโรงเรียนชุมชนบ้านหลุมรัง			/	
	58	ชุมชนโรงเรียนบ้านหนองหมู			/	
	59	ชุมชนโรงเรียนหนองรีประชานิมิต			/	
	60	ชุมชนโรงเรียนบ้านเขาแดง			/	
	61	ชุมชนโรงเรียนไทยรัฐวิทยา 21			/	
	62	โรงงานน้ำตาลนิวกูญไทย จำกัด				/
KSL Panasnikom Branch, Chonburi	63	ชุมชนบ้านหนองหัวช้าง	/			
	64	ชุมชนบ้านกุดม่วง	/			
	65	ชุมชนบ้านหัวช้าง	/			
	66	ชุมชนบ้านเนินไทร	/			
	67	ชุมชนวัดสุทธรรมาวาส		/		
	68	ชุมชนวิทยาลัยโพธิวิชชาลัย มศว.สระแก้ว			/	
	69	ชุมชนโรงเรียนบ้านโป่งคอม			/	
	70	โรงงาน บริษัท น้ำตาลนิวก้าวสันหลี จำกัด			/	
		Grand Total	36	9	17	8

Mushroom Growing Activity at
SELC WatTaKraTum School, Kanchanaburi



Home-made Cleaning Products at
SELC BaanWaainiao, Kanchanaburi



Home-made soap and shampoo at
SELC Bodhivichalai University, SaKeaw



Household Accounting Class at
SELC BaanNaDokMai School, Loei



Vegetable Gardening at SELC Pongkom School, Sakeaw



Forest Planting at WatPaSantiDhamma Community, Loei





2. Smile Library Book Donation Project

Khon Kaen Sugar Industry PCL joins Nation International Entertainment PCL's "Smile Library" project and donated books to schools in rural areas. The company hopes the children will be able to learn and have fun from different types of books in Thai and English for literacy development and entertainment such as encyclopedia for youth, science quiz, and Harry Potter. Between October 2-9, 2015, KSL donated the books to Nampong Bhumipat School, Koksoongkudnamsai School, Koksoongprachasan School, and Bann Siew kokklang School, all of which are located in Khon Kaen province.



3. Joining "Long Tun Soon Tarn" Fund, a Philanthropic Investment

On 22 July, 2015, at Okrua Prestige Hotel, Bangkok, Khon Kaen Sugar Industry PCL joins BTS Group Holdings PCL, Minor Group PCL, LPN Development, Nam Seng Insurance PLC, and TISCO Financial Group to make a philanthropic investment in a new fund called "Long Tun Soon Tarn." Philanthropic investment, as ThaiPat Institute explains, promotes the use of investment returns to fund wide-ranging corporate philanthropic projects over the long term, whether it be building schools and other public utilities or providing free medical and other relief during natural disasters. This philanthropic investment fund will be managed by TISCO Financial and advised by the ThaiPat Institute. Altogether, the six companies



mentioned above have raised 120 million THB for the fund which will be used to invest in the 100 publically listed companies in the Thailand Stock Exchange that meet the ThaiPat's criteria for Environmental, Social and Governance (ESG) 100 standard. KSL intends to use the return from such investment to support improvements to public facilities like hospitals as well as donate to schools and provide support programs for underprivileged communities.

4. Annual shareholders visit to factory and KSL River Kwai Agri-nature Center in Kanchanaburi

On 23rd May 2015, Khon Kaen Sugar Industry PCL took 80 shareholders to visit New Krung Thai Sugar Factory in Boploy District, Kanchanaburi Province and observe Boploy Bio Refinery Complex. Moreover, the shareholders also observed social responsibility activity at KSL River Kwai Agri-nature Center, Kanchanaburi – the sufficiency economy training center for the staff of KSL Group as well as those interested from the government sectors and private sectors.



5. KSL Love Nature, Plant Coral 2015

On September 19, 2558, the management and employees of KSL and affiliated companies join together to participate in "KSL Love Nature, Plant Coral" event that invites everyone to help plant corals around ToeyNgarm Beach, Navikayothin Gulf, Sattahip District, Chonburi Province.



6. Krathin Ceremony at SriPratumwanaram Temple, Khon Kaen

On November 5, 2015, Khon Kaen Sugar Industry PCL and affiliated companies jointly hosted the 2015 Annual Kathin Ceremony at SriPratumwanaram Temple, Nampong District, Khon Kaen Province. Mr. Chamroon Chinthammit, the Chief Executive Officer and President, together with the executives and honored guests participated in this event. The total donation raised is 789,073 THB.



70TH ANNIVERSARY CELEBRATION



On October 7, 2015, Khon Kaen Sugar Industry PCL hosted its 70th Anniversary Celebration at The Grand Hall, 2nd FL, Plaza Athenee Bangkok, A Royal Meridien Hotel. The Minister of Industry, Dr. Atchaka Sibunruang, attended the event as the Honorable Chair. Mr. Manu Leopairote, the Chairman of the Board of Directors, and Mr. Chamroon Chinthammit, the Chief Executive Officer & President, gave a welcoming speech and presented KSL group's vision and future business goals to valued business partners and customers.

The celebration includes sand art performance by artist Mr. Kongkeit Thongchandee who told the story of KSL since the beginning in 1945 to the present and an exclusive concert by Mr. Kittinant Chinsamran and Ms. Teeranai Na Nongkai. Guests are also invited to join Khon Kaen Sugar Industry PCL in making charitable donation to Rama Thibodi Foundation in order to build the Chakri Naruebodindra Medical Institute. The total of 13,173,668 THB was raised for this charity.





INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

The company values strong internal control system that can adequately protects the interest of all its stakeholders. By applying a suitable internal control model, the company can achieve its corporate goals effectively and efficiently in terms of its operation, financing, risk management, and corporate governance.

The Internal Audit Committee reviewed the sufficiency of the company's internal control system on a quarterly basis with the Internal Control Office and the Certified Public Accountant and considered it to be sufficient to support the company in achieving its goals efficiently and effectively. The company's financial report is reliable and the company is complying with its rules and regulations.

Internal audit is an important part of internal control system. The Internal Audit Committee appointed the Internal Audit Office to review the Company's activities for compliance with the internal control system according to the assessment plan and processes approved by the Audit Committee to assess the sufficiency and effectiveness of the current internal control system and reported to the results to the Audit Committee every quarter. In 2015, the Committee did not find any conflict of interest, fraud, abnormal and/or significant defects in the internal control system or other items that would be in violation of the law or the regulations of the Thailand's Stock Exchange.

Risk Management

The company's Risk Management Committee set the risk management policy and process for the management to execute. The management team is responsible for identifying risk factors and planning effective control systems. By considering the risk factors, the management can develop a better business model and control system that will enable it to manage risk at an acceptable level.

During 2015, the Risk Management Committee and the Office of Risk Management and System Development completed the following tasks:

1. Created Work Manuals for factories' HR department, mechanic room, stockroom, petrol storehouse, sugar and molasses warehouse. For head office, reviews and improvements to internal control system were made to ensure all business units implement the controls consistently.
2. Reviewed the Risk Management Charter, its objectives, and the jurisdiction of the Risk Management Office as well as its manual and operating guidelines for the year 2015/2016.
3. Developed training tools and manual on Business Continuity Management System (BCMS) and anti-corruption measures based on KSL' Corporate Governance Policy & Manual (2015).
4. Conducted training for management and employee levels at all 7 sites of operation.

5. Assessed the Company's internal control and risk management according to CORSO-ERM as well as reviewed possible corruption risks for the Year 2015 at all 7 sites of operation.
6. Identified possible causes of risks and individuals responsible for prevention of such risks in different business units for 2015/2016, having been considered and approved by the Risk Management Committee.
7. Developed new risk analysis and assessment plan for 2015/16 as well as identifying basic guidelines and procedure to mitigate such risks and included it in the risk assessment report for the Risk Management Committee meeting 4/2015.
8. Held preparation meeting for Office of Risk Management and System Development to go train staffs in 7 operation sites according to the new risk analysis and assessment plan above.
9. Produced four risk assessment reports for 2015 that are tailored to each business departments in all 7 sites of operation and distributed them to designated responsible personnel.
10. Presented risk assessment report of 2015 for the Company and subsidiaries to the Board to demonstrate risk items that are constant, decreasing, and increasing and the related causes of such risks so that the management can use it to better plan and mitigate such risks in their business units.

Additionally, the Risk Management Committee reviewed the internal audit assessment and risk management policy according to COSO-ERM and assessed fraudulent risk internal to the organization following the previously mentioned guidelines and policies of anti-fraud and anti-corruption described by the Collective Action Coalition, good corporate governance, ethical business conduct, procedure for reporting misconduct, fraud, investigation of fraudulent activities, and protection of informants. The Committee found that the internal control system of the Company and its subsidiaries are within acceptable level and can be further developed to align with the Company's objectives.

RELATED PARTY TRANSACTIONS

Related party transactions for the year ended 31 October 2015 and 2014 disclosed in this section comprise of transactions between the enterprises and subsidiaries, associated, and individuals that may have the conflict of interest as follows:

Related Party Relationship as at October 31, 2015

Subsidiaries

Company name	Relationship
Tamaka Sugar Industry Co., Ltd. Manufacture and distribution of sugar and molasses	Tamaka Sugar Industry Co., Ltd. is controlled by the company which owns 90.21% of the subsidiary's shares. Individuals that relate to directors of the company own 9.79% of the subsidiary's of sugar and molasses shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
New Krung Thai Sugar Factory Co., Ltd. Manufacture and distribution of sugar and molasses	New Krung Thai Sugar Factory Co., Ltd. is controlled by the company which owns 95.78% of the subsidiary's shares. Individuals that relate to directors of the company own 4.22 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
New Kwang Soon Lee Sugar Factory Co., Ltd. Manufacture and distribution of sugar and molasses	New Kwang Soon Lee Sugar Factory Co., Ltd. is controlled by the company which owns 98.61% of the subsidiary's shares. Individuals that relate to directors of the company own 1.39 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
K.S.L. Real Estate Co., Ltd. Housing and land for agriculture estate including holiday resort for training, seminar center and Office building for rent	K.S.L. Real Estate Co., Ltd. is a subsidiary of and controlled by the company, Tamaka Sugar Industry Co., Ltd. which owns 40.77% and 50.25% of the subsidiary's shares, respectively. Individuals that relate to directors of the company own 8.98% of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
Thai Sugar Terminal Public Company Limited Locating, silo warehouse and property rental	Thai Sugar Terminal Public Company Limited is a subsidiary of and controlled by the company which owns 23.82% of the subsidiary's shares. Major shareholders and directors of the company own 38.36% of the subsidiary's shares. The company also has common directors namely Mr. Prapas Chutimavoraphand, Mr. Somchai Chinthammit and Mr. Chalush Chinthammit.
K.S.L. Export Trading Co., Ltd. Export sugar as exporting agent	K.S.L. Export Trading Co., Ltd. is a subsidiary of and controlled by the company, Tamaka Sugar Industry Co., Ltd., New Krung Thai Sugar Factory Co., Ltd. and New Kwang Soon Lee Sugar Factory Co., Ltd. which own 33.87%, 20.85%, 15.36% and 9.47% of the subsidiary's shares, respectively. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Thawatchai Rojanachotikul, Mr. Sukhum Tokaranyaset and Mr. Chalush Chinthammit.
Savannakhet Sugar Corporation Agricultural Operation, Manufacture and distribution of sugar and molasses	Savannakhet Sugar Corporation is controlled by the company which owns 98.49% of the subsidiary's shares. None of major shareholders and directors of the company own the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose.
Koh Kong Sugar Industry Co., Ltd. Manufacture and distribution of sugar and molasses which are during investment process	Koh Kong Sugar Industry Co., Ltd. is controlled by the company which owns 80.00% of the subsidiary's shares. None of major shareholders and directors of the company own the shares. Therefore, related transactions between the company and subsidiary are not required to disclose.
Koh Kong Plantation Co., Ltd. Agricultural Operation	The Company holds shares indirectly which owns 80.00% of the subsidiary's shares. None of major shareholders and directors of the company own the shares. Therefore, related transactions between the company and subsidiary are not required to disclose.

Associates

Company name	Relationship
Champion Fermentation Co., Ltd. which manufacture and distribute of glutamic acid and glutamate (Present the company has Holding company.)	Champion Fermentation Co., Ltd. is an associate of and controlled by the company which owns 32.50% of the associate's shares. Major shareholders and directors of the company own 18.00% of the subsidiary's shares. Other major shareholders are a group of Taiwanese businessman. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset and Mr. Thawatchai Rojanachotikul.

Related Companies

Company name	Relationship
K.S.L. IT Center Co., Ltd. Provide computerized and database services to parent company and related parties	K.S.L. IT Center Co., Ltd. is controlled by Chengteh Chinaware (Thailand) Co., Ltd., and Thai Fermentation Industry Co., Ltd., whose stakes individually equal to 50% of K.S.L. IT Center Co., Ltd.'s shares. The company also has common directors namely Mr. Chatri Chinthammit.
Chengteh Chinaware (Thailand) Co., Ltd. Manufacture and distribution of ceramic products	Chengteh Chinaware (Thailand) Co., Ltd. is controlled by the same shareholder group of the company who owns 51.31% of Chengteh Chinaware (Thailand) Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul, Mr. Trakarn Chunharojrit and Mr. Chalush Chinthammit.
Thai Fermentation Industry Co., Ltd. Manufacture and distribution of seasoning powder	Thai Fermentation Industry Co., Ltd. is controlled by the same shareholder group of the company who owns 47.10% of Thai Fermentation Industry Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul, and Mr. Somchai Chinthammit.
On Nuj Construction Co., Ltd. Hotel and real estate agent	On Nuj Construction Co., Ltd. is controlled by the same shareholder group of the company who owns 78.50% of On Nuj Construction Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit, Ms. Duangkhae Chinthammit, Ms. Duangdao Chinthammit and Mr. Prapas Chutimavoraphand.
K.K. Wood Industry Co., Ltd. Manufacture and distribution of processing products	K.K. Wood Industry Co., Ltd. is controlled by the same shareholder group of the company who owns 93.01% of K.K. Wood Industry Co., Ltd.'s shares. There is no common director.
Amarco Co., Ltd. Distribution of pesticide products	Amarco Co., Ltd. is controlled by the same shareholder group of the company who owns 100% of Amarco Co., Ltd.'s shares. There is no common director.
Sahamit Machinery Public Company Limited Distribution of spare parts, machinery, tools and equipments for industrial factory	Sahamit Machinery Public Company Limited has common director namely Mr. Pornsin Thaemsirichai and Mr. Karun Kittisataporn.

1. The following transactions were carried out with related parties:

1.1 Sales and purchases of goods and services including balance transaction (for the year ended 31 October 2015 and 2014)

Customers	Sellers/Service providers	Type of Transaction/ Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 15	31 Oct 14	
Thai Fermentation Industry Co., Ltd.	Khon Kaen Sugar Industry	- Sales of molasses	26,412	28,398	The Company and its subsidiaries sold molasses to Thai Fermentation Industry as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms. Tamaka Sugar Industry provided a service of modify machine to Thai Fermentation Industry which carried out at cost plus administrative expense.
	Public Company Limited	- Other accounts receivable	9	-	
	Tamaka Sugar	- Service fee of modify machine	-	2,420	
	Industry Co., Ltd.	- Other accounts receivable	2,589	2,589	
	KSL Ago & Trading Co., Ltd.	- Sales of sugar	271	265	
	New Kwang Soon Lee	- Sales of sugar and molasses	-	28,088	
	Sugar Factory Co., Ltd.	- Trade accounts receivable	-	31	
K.K. Wood Industry Co., Ltd.	Khon Kaen Sugar Industry	- Sales of supply and parts	456	75	The Company sold other product consisted of supplies and spare parts to K.K. Wood Industry Co., Ltd. to put into production process which carried out at cost plus administrative expense.
	Public Company Limited	- Trade accounts receivable	14	36	
		Sale of sugar			
		- Other accounts receivable	4	3	
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	- Sale of chemical and water	475	1,104	The Company's group purchased chemical product as caustic soda and hydrochloric acid from Thai Fermentation Industry Co., Ltd. to clean their machineries. The product price of Thai Fermentation Industry Co., Ltd. was less than the others from price comparison because they were by product from production process.
		- Trade accounts payable	-	243	
		- Other accounts payable (Incidental expenses)	74	54	
Tamaka Sugar Industry Co., Ltd.		- Sale of chemical and water	18	23	
		- Other accounts payable (Incidental expenses)	-	-	
New Krung Thai Sugar Factory Co., Ltd.		- Sale of chemical and water	18	23	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Sale of chemical and water	28	84	
		- Other accounts payable (Incidental expenses)	-	2	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Export Trading Co., Ltd.	- Service fees of goods exporting	5,803	4,276	
Tamaka Sugar Industry Co., Ltd.		- Service fees of goods exporting	2,723	2,411	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of goods exporting	6,334	4,203	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of goods exporting	771	770	
Savannakhet Sugar Corporation		- Service fees of goods exporting	370	-	
Khon Kaen Sugar Industry Public Company Limited	Thai Sugar Terminal Public Company Limited and its subsidiary company	- Service fees for goods custody and transfer	17,738	32,942	The Company needs to use wharf and transfer services for group of sugar factory. Thai Sugar Terminal Public Company Limited priced service fees of goods custody and goods exporting were charge according to volume of goods and custody time, which are general rates in the market.
		- Other income	1,391	1,333	
		- Other accounts receivable	694	-	
		- Other accounts payable	359	487	

Customers	Sellers/Service providers	Type of Transaction/ Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 15	31 Oct 14	
Tamaka Sugar Industry Co., Ltd.		- Service fees for goods custody and transfer	18,072	24,638	The Company needs to use wharf and transfer services for group of sugar factory. Thai Sugar Terminal Public Company Limited priced service fees of goods custody and goods exporting were charge according to volume of goods and custody time, which are general rates in the market.
		- Other income	2,391	1,982	
		- Other accounts payable	-	186	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	13,982	13,433	
		- Other income	1,031	705	
		- Other accounts receivable	3	70	
		- Other accounts payable	110	509	
		- Accured Expenses	228	-	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	820	11,338	
		- Other income	200	1,719	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	5,854	4,310	K.S.L. IT Center Co., Ltd. was established for serve computer service center within the group companies. The said company priced service fees calculated by investment cost and operating expense to allocate according to actual data usages of each company.
		- Prepaid expenses	367	147	
Tamaka Sugar Industry Co., Ltd.		- Service fees of computerized activities	1,876	2,018	
		- Prepaid expenses	204	50	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of computerized activities	2,851	2,995	
		- Prepaid expenses	245	124	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of computerized activities	1,438	1,735	
		- Prepaid expenses	90	46	
K.S.L. Real Estate Co., Ltd.		- Service fees of computerized activities	19	22	
K.S.L. Export Trading Co., Ltd.		- Service fees of computerized activities	164	205	
Savannakhet Sugar Corporation		- Service fees of computerized activities	410	531	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of computerized activities	497	685	
Koh Kong Plantation Co., Ltd.		- Service fees of computerized activities	137	157	

1.2 Rental fee (for the year ended 31 October 2015 and 2014)

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)		Necessity and reasonableness of Connected Transaction
			31 Oct 15	31 Oct 14	
Khon Kaen Sugar Industry Public Company Limited	On Nuj Construction Co., Ltd.	Office rental area of 202.84 square meters and car park at the rate of Baht 300 per square meter per month and are allowed to be renewed annually (01/09/14-31/08/15)	730	730	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade and agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
	Chengteh Chinaware (Thailand) Co., Ltd.	Office rental area of 495.54 square meters and car park at the rate of Baht 300 and 242 per square meter per month respectively and are allowed to be renewed annually (01/01/15 - 31/12/15)	1,784	1,727	
	K.S.L. IT Center Co., Ltd.	Office rental area of 432.62 square meters and car park at the rate of Baht 300 per square meter per month and are allowed to be renewed annually (01/08/14 - 30/07/15)	1,557	896	
	Amarco Co., Ltd.	Land rental area of 536 square meters at the rate of Baht 1,996 per square meter per month for the period of 20 years (01/02/04-31/01/24) with rental rate will be raised 10% every 3 years.	24	23	
	K.K. Wood Industry Co., Ltd.	Land rental area of 1,728 square was at the rate of Baht 99,200 per annum and are allowed to be renewed every 3 years (15/01/14-14/01/17) with rental rate will be raised 10% every 3 years.	99	97	
	K.S.L. Export Trading Co., Ltd.	Office rental area of 33.48 square meters at the rate of Baht 300 per square meters per month and is allowed to be renewed annually (01/10/15-30/09/16)	10	-	
Tamaka Sugar Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	Office rental area of 30.00 square meters with furniture at the rate of Baht 300 per square meters per month and is allowed to be renewed annually (01/09/14-31/08/15)	99	108	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade and agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
Champion Fermentation Co., Ltd.	Tamaka Sugar Industry Co., Ltd.	Land rental area of 270 rai at the rate of Baht 740 per rai and is allowed to be renewed every 3 years (04/08/13-03/08/16)	200	200	Land leasing is for a plot of experimental sugar cane plantation and sugar cane research. Rental fees were charged at market prices.

1.3 Borrowings from/ Loans to related parties (for the year ended 31 October 2015 and 2014)

Unit : Thousand Baht

Borrower	Lender	For the year ended 31 October 2015				Interest paid	Necessity and reasonableness of Connected Transaction
		Loan addition Repayment					
		As at	during	during	As at		
		1 Nov 2014	the period	the period	31 Oct 2015		
Khon Kaen Sugar Industry Public Company Limited	KSL Tower Juristic Person office	3,200	7,900	(5,000)	6,100	166	Khon Kaen Sugar Industry Public Company Limited has got financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 2.05-2.55% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2014						Interest paid	Necessity and reasonableness of Connected Transaction
Borrower	Lender	Loan addition Repayment					
		As at 1 Nov 2013	during the period	during the period 31 Oct 2014			
Khon Kaen Sugar Industry Public Company Limited	KSL Tower Juristic Person office	-	3,200	-	3,200	1	Khon Kaen Sugar Industry Public Company Limited has got financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 1.25-2.55% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2015						Interest paid	Necessity and reasonableness of Connected Transaction
Borrower	Lender	Loan addition Repayment					
		As at 1 Nov 2014	during the period	during the period 31 Oct 2015			
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	956,645	(956,645)	-	8,343	The loan was provided as financial supporting through K.S.L. Export Trading Co., Ltd. which was registered according to the laws and regulations of sugar exporting. The credit line from financial institution was defined and borrowed by K.S.L. Export Trading Co., Ltd. Then, K.S.L. Export Trading Co., Ltd. lent to sugar factories. Therefore, K.S.L. Export Trading Co., Ltd. represents an intermediary for credit line carried out. Prachaup Industry Co.,Ltd. pledged sugar exporting and promissory note as collaterals against credit facilities from K.S.L. Export Trading Co., Ltd. and no fee is charged for the inter-credit facility guarantee.

Borrower	Lender	For the year ended 31 October 2014				Interest paid	Necessity and reasonableness of Connected Transaction
		Loan addition		Repayment			
		As at 1 Nov 2013	during the period	during the period	As at 31 Oct 2014		
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	764,480	(764,480)	-	7,014	The loan was provided as financial supporting through K.S.L. Export Trading Co., Ltd. which was registered according to the laws and regulations of sugar exporting. The credit line from financial institution was defined and borrowed by K.S.L. Export Trading Co., Ltd. Then, K.S.L. Export Trading Co., Ltd. lent to sugar factories. Therefore, K.S.L. Export Trading Co., Ltd. represents an intermediary for credit line carried out. Prachaup Industry Co.,Ltd. pledged sugar exporting and promissory note as collaterals against credit facilities from K.S.L. Export Trading Co., Ltd. and no fee is charged for the inter-credit facility guarantee.

Policy on Future Related party transactions

The Audit Committee passed the resolution of related party transactions as the followings:-

The Audit Committee has reviewed the related party transactions described in the table above and given the view that it was in accordance with normal business practice and carried out at market price.

Policy on future related party transactions

1. Normal Business Transactions

Normal business transactions include transfer and transport services and warehouse rental from Thai Sugar Terminal Public Company Limited and sales and purchases of sugar between the company and the subsidiaries. These connected transactions will firstly be brought to the company's consideration in respect of the company's interests and be ensured that they will be carried out at market price.

2. Rental Service Transactions

Rental service transactions will be carried out at market price and the same rate given to third parties.

3. Sales and Purchases of Assets and Investments

Sales and purchases of assets and investments are an increase of capital in order to maintain the same shareholding proportion as previously held. It is also an investment for the current business expansion and the future business growth. The policy of sales and purchases of assets and investments will firstly be brought to the company's consideration in respect of the company's interests and the justification for entering into the transaction, the necessity and appropriateness of such transactions.

4. Borrowings from/ Loan to persons having potential conflict of interest

Borrowings from/ Loan to persons having potential conflict of interest will firstly be brought to the company's consideration in respect of the justification for entering into the transaction, the necessity and appropriateness of such transactions.

5. Other Related Transactions

Other related transactions are transactions other than 1-4 stated above.

Related party transactions between the company and the subsidiaries and the persons having potential conflict of interest, having a stake in or possibly having a conflict of interest in the future shall be subject to the opinion of the Audit Committee for their consideration in respect of the justification for entering into the transaction, the necessity and appropriateness of such transactions. In case the Audit Committee considers it lack expertise required for the consideration of possible transactions, it is empowered to recruit experts as needed. Experts, for example, could be an auditor or an independent appraisal officer, which is independent from both the company and persons having potential conflict of interest. The opinion of these recruited experts will be used in the decision-making of the Audit Committee and/or the Board of Directors of the company and/or shareholders as the case may be.

The Board of Directors of the company ensures compliance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand, including compliance with regulations on the disclosure of information on connected transactions and the acquisition or disposal of important assets of the company or its subsidiaries, and compliance with the accounting standards established by the Institute of Certified Accountants and Auditors of Thailand.

Capital structure of individuals having potential conflict of interest over 10%

Capital structure of individuals having potential conflict of interest over 10% is as the followings:-

1. Thai Sugar Terminal Public Company Limited (TSTE)

The individuals having potential conflict of interest own 38.36% of the TSTE's shares. Mr. Prapas Chutimavoraphand and his family invest in TSTE for its personal interest and do not relate to the company. The company owns 23.82% of the TSTE's shares and has no policy to increase its capital proportion. Consequently, the company could not alter TSTE's capital structure and has no policy forcing the directors of the company to sell their shares to the company. Moreover, the shareholders and directors have no intention to transfer their benefits to one of these two companies because the shareholding proportion in the company of most shareholders and directors is higher than their shareholding proportion in TSTE. In addition, Thai Sugar Terminal Public Company Limited has many directors from other sugar companies; thus, power balancing in TSTE is reasonable for both companies. To conclude, the related transactions between the company and TSTE are in line with the characteristics of normal trading in the market which will maximize highest value to both companies.

2. Champion Fermentation Co., Ltd.

The individuals having potential conflict of interest own 18.00% of Champion Fermentation Co., Ltd.'s shares. Other major shareholders are a group of Taiwanese businessman. Champion Fermentation Co., Ltd., formerly, has no business transactions except land leasing. However, Champion Fermentation Co., Ltd. has invested in cassava starch industry which does not relate to sugar industry in the end of 2004. The purpose of investment is for dividend received in the future.

In conclusion, the shareholding structure of the company and the subsidiaries, which is owned by the individuals having potential conflict of interest over 10% in some companies, is the result from the past. Currently, the company has an intention changing its structure in order to minimize those conflicts. In addition, the company has the policy to directly invest in subsidiaries and associates in the future. Also, there will be the limitations in shareholding proportion for the individuals having potential conflict of interest except it will be done to maximize the company's value. Furthermore, the persons having potential conflict of interest will not make any investments in business that may constitute the conflicts of interest to the company or in competitive business to the company.

FINANCIAL INFORMATION

The corporate accounting period begins on November 1 and ends on October 31 of every year.

1. Report of Independent Auditor

1) Auditor

Year 2013	Miss Wimolporn Boonyusthian, Certified Public Accountant, Registration No. 4067, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Year 2014	Miss Wimolporn Boonyusthian, Certified Public Accountant, Registration No. 4067, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
Year 2015	Miss Wimolporn Boonyusthian, Certified Public Accountant, Registration No. 4067, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

2) Summary of the audit reports over the past three years

Year 2013	The Auditor reviewed corporate financial statements and issued unconditional opinions.
Year 2014	The Auditor reviewed corporate financial statements and issued unconditional opinions.
Year 2015	The Auditor reviewed corporate financial statements and issued unconditional opinions.

2. Percentage of Shareholding in the Subsidiaries and Consolidated Financial Statements Preparation Criteria

The financial statements for 2013, 2014, and 2015 include a total of 14 subsidiaries (excluding subsidiaries of Thai Sugar Terminal Public Company Limited).

Table 1 : Percentage of Direct and Indirect Corporate Shareholding

	% of Shareholding		
	2013	2014	2015
Tamaka Sugar Industry Co.,Ltd.	90.21	90.21	90.21
New Krung Thai Sugar Factory Co.,Ltd.	95.78	95.78	95.78
New Kwang Soon Lee Sugar Factory Co.,Ltd.	98.61	98.61	98.61
KSL Real Estate Co.,Ltd.	91.02	91.02	91.02
KSL Export Trading Co.,Ltd.	79.55	79.55	79.55
KSL Material Supply Co.,Ltd.*	100.00	100.00	100.00
Khon Kaen Sugar Power Plant Co.,Ltd.	100.00	100.00	100.00
Khon Kaen Alcohol Co.,Ltd.	100.00	100.00	100.00
KSL Agro and Trading Co.,Ltd.	100.00	100.00	100.00
Savannakhet Sugar Corporation	98.49	98.49	98.49
Koh Kong Plantation Co.,Ltd.**	80.00	80.00	80.00
Koh Kong Sugar Industry Co.,Ltd.	80.00	80.00	80.00
Wynn In Trading Co.,Ltd.	100.00	100.00	100.00
Thai Sugar Terminal Public Company Limited***	23.82	23.82	23.82

NOTE:

* Formerly name KSL Chemicals Co., Ltd.

** Koh Kong Plantation Co., Ltd. holds shares through Wynn In Trading Co., Ltd.

*** Although the company only has 23.82 % shareholding in Thai Sugar Terminal Public Company Limited, it has controlling power in that particular company. Thai Sugar Terminal Public Company Limited is, therefore, considered a corporate subsidiary. Thai Sugar Terminal Public Company Limited, a KSL subsidiary listed in the SET as TSTE, has 5 subsidiaries: TSG Assets Company Limited operates real estate rentals. TSTE holds 23.11% shares. TS Oil Industry Company Limited (formerly name as TSG Property Company Limited) trades, leases, develops real estate, and operates a palm oil refinery plant. TSTE holds 28.48% shares directly and indirectly. TS Flour Mill Public Company Limited rents out real estate and manufactures wheat flour. TSTE holds 16.59% shares directly and indirectly. It is also listed in the SET as TMILL. TS Warehouse Company Limited stores and transfers goods. TSTE holds 19.30% shares directly and indirectly. TS Transport and Logistics Company Limited provides transport and security service. It also manufactures plastic sacks. TSTE holds 30.58% shares directly and indirectly. For further details, refer to Listed Company Information on Thai Sugar Terminal Public Company Limited (TSTE) and TS Flour Mill Public Company Limited (TMILL).

3. Profit and Loss Statement

In 2015, the company generated the revenues from operations of THB 18,866 million, in total, decreasing from that in the previous year by 2%. The revenue from sales amounted to THB 18,378 million and the revenue from services amounted to THB 488 million. Although the sugar price declined 17-21% in 2015 but the company had sales volume increase of 10%. As a result, revenue from sales decreased only 2% compare to previous year. The company's total cost was THB 14,837 million, increasing from that of the previous year by 3% which is derived from sales volume, fixed cost.

Other incomes amounted to THB 661 million, increase by THB 214 million due to gain on derivatives (Sugar hedging) and Processing compensation since final sugarcane price is less than provisional sugarcane price.

The company had profit before selling and administration expenses totaled THB 4,690 million, decreasing from that of the previous year by 11%.

Regarding the selling and administrative expenses

- (1) The company incurred selling expenses totaled THB 595 million, decreasing by 19% due to decrease in transportation and storage cost.
- (2) Administrative expenses totaled THB 864 million, increasing by 19% which caused by FX losses of THB 110 million. There is also management remuneration cost of THB 197 million
- (3) Fee paid to Sugar Fund, THB 1,157 million from domestic sugar sales volume increase (Quota A).

Subsequently, the company had the profit before financial cost and tax expenses totaled THB 1,877 million, decreasing by 31 %.

In 2015, the company incurred financial cost of THB 849 million, an increase by 2%. The corporate income tax burden amounts to THB 93 million. After deduction of THB 134 million, in minority interests, the company's net profit decreased by 50% from the previous year, from THB 1,626 million to THB 815 million in 2015.

Table 2 : Consolidated Profit and Loss in the past 3 years

Income Statement Highlight (Million THB)	2015	2014	% Change	2013
Sales and Services	18,866	19,185	-2%	18,941
Cost of Sales and Service	(14,837)	(14,358)	3%	(14,961)
Gross Profit from Sales & Services	4,029	4,827	-17%	3,980
Other Incomes	661	447	48%	777
Gross Profit from other Income	4,690	5,274	-11%	4,756
Selling Expense	(595)	(623)	-4%	(474)
Administration Expense	(864)	(727)	19%	(603)
Management Remuneration	(197)	(193)	2%	(182)
Proceeds to Fund	(1,157)	(992)	17%	(1,033)
Total cost	(2,813)	(2,534)	11%	(2,292)
EBIT	1,877	2,740	-31%	2,464
Financial cost	(849)	(834)	2%	(672)
Share of Profit of Associated Company	14	(11)		(0)
Corporate Income Tax	(93)	(109)	-15%	(132)
Minority and others	(134)	(159)		16
Net Profit	815	1,626	-50%	1,676
EPS	0.20	0.49	-58%	0.50
Gross Margin from Sales & Service	21.36%	25.16%		21.01%
Net Profit Margin	4.32%	8.48%		8.85%

With reference to the company's revenue structure, the total revenues from operations was THB 18,866 million. The company had revenues from sales of sugar and molasses amounted to THB 13,263 million, accounting for 71% of the total revenue. Revenues from sales of ethanol and gasoline totaled THB 2,510 million, representing 13% of the total revenue. Electricity sales, which the corporate power generation facilities had distributed to the Electricity Generating Authority of Thailand according to the firm contract, amounted to THB 1,011 million, accounting for 5% of the total revenue. Revenues from sales of wheat flour, palm oil, and sacks totaled THB 1,161 million, accounting for 6% of the total revenue. The rest of the revenue were generated from the sales of fertilizer, service provision, and other sources.

Table 3 : Consolidated Revenue Structure in the past 3 years

Revenue Structure (Million THB)	2015		2014		% Change	2013	
Sales and Services							
Sugar Sales	12,933	69%	13,154	69%	-2%	12,408	66%
Molasse Sales	330	2%	190	1%	74%	30	0%
Other Income from sugar & molasses	113	1%	136	1%	-17%	83	0%
Electricity Sale (Firm Contract)	1,011	5%	1,141	6%	-11%	1,029	5%
Ethanol and Benzene Sale	2,510	13%	2,391	12%	5%	2,344	12%
Fertilizer Sale	17	0%	28	0%	-38%	11	0%
Wheat Flour, Palm oil and Sacks	1,059	6%	1,161	6%	-9%	2,142	11%
Service	488	3%	466	2%	5%	357	2%
Other	404	2%	518	3%	-22%	538	3%
Total	18,866	100%	19,185	100%	-2%	18,941	100%
Other Incomes							
Rental Income	48	7%	47	10%	4%	53	7%
Sales of Electricity (Non Firm)		0%	43	10%	-100%	35	4%
Gain on Sales of Assets	1	0%	16	4%	-93%	39	5%
Gain on Derivatives	171	26%	57	13%	199%	246	32%
Gain on Currencies Exchange	-	0%	-	0%	0%	183	24%
Other Incomes	441	67%	283	63%	56%	221	28%
Total	661	100%	447	100%	48%	777	100%

4. Statement of Financial Position of the Company and its Subsidiaries

Table 4 : A Summary of the Consolidated Statement of Financial Position in the past 3 years

Balance Sheet Highlight (Million THB)	2015	2014	% Change	2013
Cash & Short Term Investment	294	256	15%	212
Account Receivable	1,226	1,657	-26%	881
Farmers Account Receivable	1,041	993	5%	696
Short Term Loan to Farmers	809	889	-9%	1,027
Inventories	4,109	4,348	-6%	3,647
Deferred Cane Plantation Cost	518	543	-5%	480
Net PP&E	26,976	27,088	0%	25,138
Total Asset	40,176	40,134	0%	36,017
Current Liabilities	9,156	14,322	-36%	13,466
Non-Current Liabilities	15,532	10,979	41%	8,848
Total Liabilities	24,688	25,301	-2%	22,315
Total Shareholder's Equity	15,488	14,833	4%	13,703
Book Value per share	3.34	3.96		3.68
D/E Ratio	1.59	1.71		1.63
IBD/E Ratio	1.45	1.48		1.39

In 2015, the company and its subsidiaries had the total assets of THB 40,176 million, closed to the total assets of previous year of THB 40,134 million. Total liabilities decreased from THB 25,301 million to THB 24,688 million in 2015 or decreased by 2% which affected total debt to equity ratio decrease from 1.71 to 1.59 and interest-bearing debt to equity ratio also decreased from 1.48 to 1.45 in 2015. The accounts that changed significantly are as follow;

- (1) Account receivables decreased 26% from 2014, since customers take sugar delays. As a result, the storage of goods in warehouses and account receivables in 2014 at levels high. However, in 2015, accounts receivable remained at a high level not because the same reason but in 2015, since final sugarcane price is less than provisional sugarcane price at the beginning of the year therefore Sugar Fund would repay excess sugarcane price and compensation to company. However this compensation has not been paid as of October 31, 2015 (our fiscal year end).
- (2) Company has increased in capacity, our farmers required more loans for plantation cause the increase in farmers account receivable.
- (3) Short term loan to farmers decreased due to the company bought less post-date cheques.
- (4) Inventory decreased by 6% due to less sugar stock compare to 2014 inventory
- (5) Current liabilities decreased while non-current liabilities increased due to rebalancing in debt tenor which improve current ratio.

5. Cash Flow Statement

Table 5 : Cash Flow Statements of the Company in the past 3 years

Cash Flow Highlight (Million THB)	2015	2014	% Change	2013
Net Profit + Depre. + Non Cash	3,135	3,875	-19%	3,370
Change in Working Capital	(1,743)	(2,278)		(1,604)
from Operating Activities	1,392	1,598	-13%	1,766
Invest in PP&E	(965)	(2,650)	-64%	(4,242)
from Investing Activities	(931)	(3,195)	-71%	(6,294)
from Financing Activities	(314)	1,708	-118%	4,431
Change in Cash Flow	31	57		(91)
Ending Cash	287	256		199
EBIT	1,877	2,740	-31%	2,464
Depreciation	1,252	1,131	11%	950
EBITDA	3,129	3,871	-19%	3,414

In 2015, the company and its subsidiaries the company and its subsidiaries received cash flows from their operations before change in working capital totaled THB 3,135 million, a 19% decreased from the previous year due to decrease from the sugar price. As a result, the company and its subsidiaries have THB 1,392 million of cash flow from operating activities or decreased by a 13% from the year 2014.

For cash flows from investing activities, the company and its subsidiaries had cash paid out (net) totaled THB 931 million, which THB 965 million was mainly invested in lands, buildings, properties, plants and equipment (net) from annual maintenance and investment in container port by Thai Sugar Terminal Public Company Limited, one of subsidiaries.

Regarding financing activities in 2015, the company and its subsidiaries paid the net cash of THB 314 million debt repayment.

6. Financial Ratios

Table 6 : Financial Ratios

Financial Ratios (Million THB)	2015	2014	2013
Short Term liquidity			
Current Ratio	0.88	0.58	0.47
Acid Test Ratio	0.44	0.27	0.20
Collection period	48	34	25
Days of Inventory	103	100	86
Capital Structure and Solvency ratio			
D/E Ratio	1.59	1.71	1.63
IBD/E Ratio	1.45	1.48	1.39
LTD to equity	0.96	0.69	0.58
Times interest earned	2.21	3.28	3.67
Return on Investment ratios			
ROA	5%	7%	7%
ROE	5%	11%	12%
Operating performance ratios			
Gross Profit Ratio	21%	25%	21%
Operating Profits to Sales	10%	14%	13%
Pretax Profit to sales	6%	10%	9%
Net Income to Sales	4%	8%	9%
Asset Utilization ratios			
Sales to cash	69.43	84.38	77.60
Sales to accounts receivables	7.54	10.44	14.43
Sales to inventory	4.50	4.80	5.30
Sales to fixed assets	0.60	0.70	0.80
Sales to total assets	0.50	0.50	0.60
Market Measures			
Book Value per Share	3.34	3.96	3.68
Earning Per Share	0.20	0.49	0.50

According to the 2015 financial ratios, liquidity ratios that is part of Current ratio and Acid test ratio had improved. This is because the company restructured some of its debts from short-term to long-term tenor. In past few year the company managed by using short-term credits as working capital for its investment projects. Once the long-term loan contract periods were due, the company switched to use the long-term credits. The purpose was to relieve the interest burden on loans. Subsequently, the company's current ratio and acid test ratio decreased.

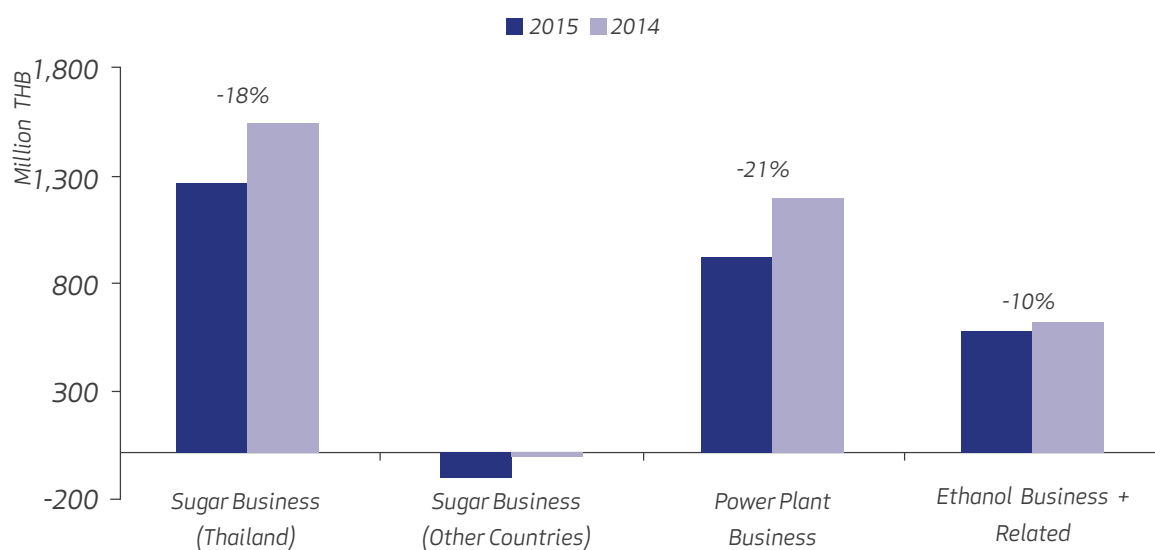
Regarding solvency ratios, it can be seen that the D/E ratio, IBD/E ratio and LTD to equity had decreased as a result of debt repayment and decrease of capital expenditure.

In terms of profitability ratios, the ROE, ROA decreased due to the decrease in overall operation.

MANAGEMENT DISCUSSION AND ANALYSIS

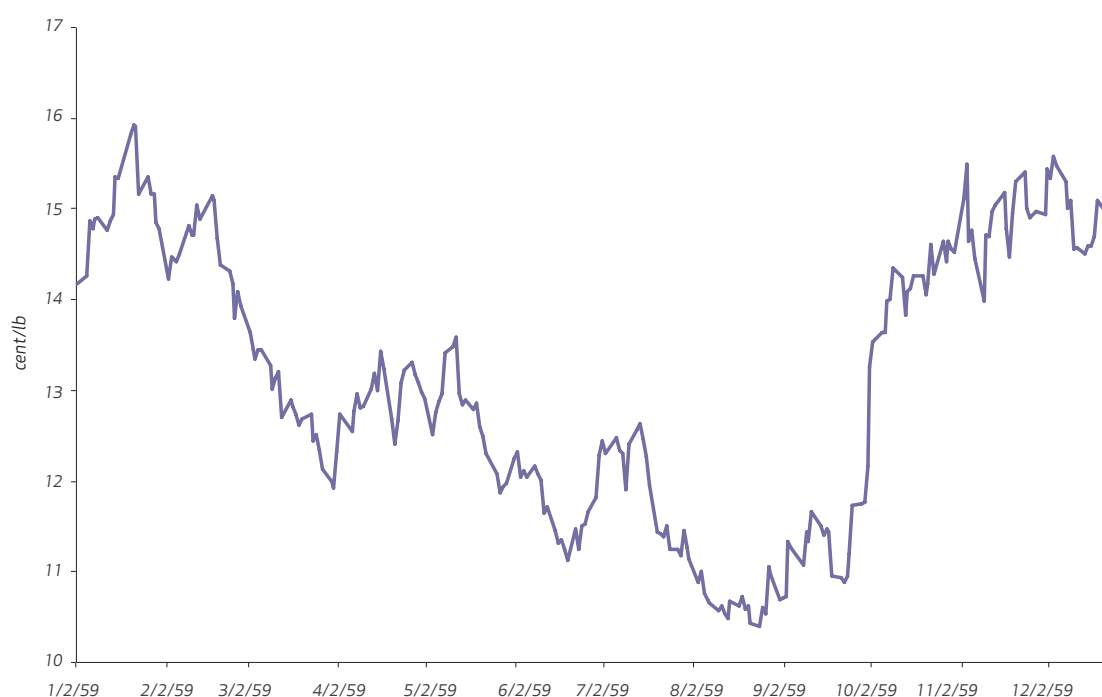
By considering the operating profit before administrative expense, interest and tax in each business sector, the company recorded 18% profit decrease in sugar business in Thailand, 21% profit decrease in power plant business sector, 10% profit decrease in ethanol and related business sector and recorded loss in sugar business in Laos and Cambodia (shown in chart 1). The main reasons for the decrease in our performance are as follows:

Chart 1 : Operating Profit before admin expense, interest and tax in each business sector



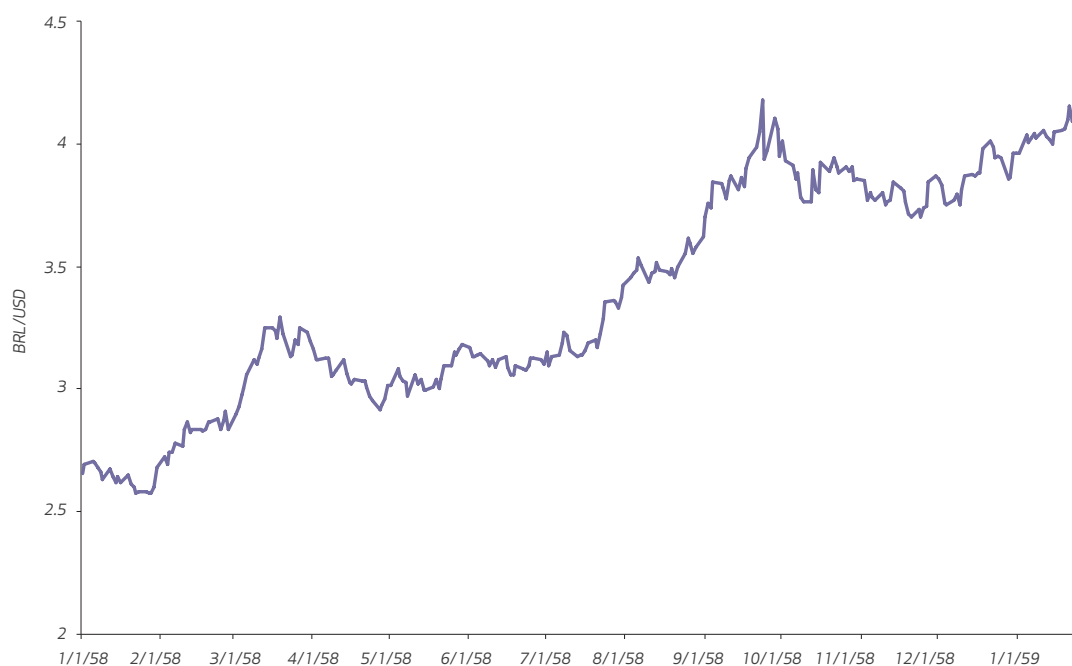
Sugar Business in Thailand

Chart 2 : World sugar price - cents/lbs



Compared to the previous year, the performance of the sugar business in 2015 decreased due to the world sugar price dropped and average selling price declined. (Average selling price of refined / white sugar dropped from 16,525 THB/ton to 13,793 THB/ton and raw sugar fell from 13,189 THB/ton to 10,463 THB/ton). The main reasons for the decrease in sugar price were due to Brazilian Real currency depreciation that makes them gain competitive advantage (Brazil is the largest sugar exporter). Brazilian Real depreciated 49%, from 2.66 BRL/USD in 2014 to 3.96 BRL/USD in 2015 (As shown in Chart 3 : BRL/USD Exchange Rate) which can be expected that the sugar mills in Brazil will use sugarcane to produce more sugar instead of producing ethanol for domestic consumption and induce speculator sell-off sugar in the future market. Consequently, the world sugar price dropped dramatically to 10.13 cent/lbs in the second half of the year. (However, current forecast in 2016 expects that sugar balance will be deficit. Therefore sugar price has recovered back to level of 15 cent/lbs).

Chart 3 : BRL/USD Exchange Rate



Though, the sugarcane price is under 70:30 revenue sharing system that makes raw material cost (sugarcane) correlate to world sugar price but other cost of production did not decrease in the same proportion, so gross margin for sugar business in Thailand in 2015 dropped, as a result, the performance dropped, compare to the previous year.

Sugar business in Other Countries (Laos and Cambodia)

The performance decreased due to the world sugar price dropped. Most of the sugarcane crushed came from company own plantation which the plantation cost incurred 1 year in advanced (Sugarcane matures at 12-14 months). In 2015, because of the decrease in sugar price, the recorded cost exceeded the expected selling sugar price. As a result, the sugar business in Other Countries (Laos and Cambodia) incurred loss.

Power Business

Power business performance decreased due to

- (1) In the fourth quarter of this year, the power plant in BoPloy, Kanchanaburi had a maintenance shutdown for 2 months which affected power sales to EGAT declined from 324,099 MW-hr in 2014 to 300,292 MW-hr in 2015. They caused the revenue decrease and the cost per unit increase from the maintenance cost, raw material cost and the fixed cost.

- (2) The company incurred more taxes since BOI privilege for the powerplant in Nampong site, Khon Kaen, expired after 8 year operation
- (3) The average selling price to grid per unit decreased from 3,520 THB/MW-hr in 2014 to 3,368 THB/MW-hr in 2015

Ethanol business and Related business

Ethanol business performance decreased due to decrease in production volume and ethanol cost per unit also increased since increasing molasses cost and waste water management cost. Although sales volume increased from 91.61 million liters to 97.12 million liters.

Overall, 2015 performance, the Company recorded a net profit of THB 815 million this year compared to the net profit of THB 1,626 million in the previous year, representing a decrease of 50%. In term of EBITDA, the Company recorded EBITDA of THB 3,129 million decreased from THB 3,872 million last year, representing 19% decrease.

Table 14.1 Sales Revenue from Ethanol (exclusive of petroleum) and Electricity

Sale Volume & Price	Volume Unit	2015		Volume Unit	2014		Volume Unit	2013	
		Avg. Price THB / Ton	Value M THB		Avg. Price THB / Ton	Value M THB		Avg. Price THB / Ton	Value M THB
Sugar	923,267	14,008	12,933	836,701	15,721	13,154	720,318	17,226	12,408
Power	97,117	25.71	2,497	91,607	25.92	2,374	104,651	22.25	2,328
Ethanol (1,000 Litres)	300,292	3,368	1,011	324,099	3,520	1,141	301,136	3,416	1,029

Note : Sugar unit: tons price: THB per ton Molasses unit: ton price: THB per ton Ethanol unit: 1,000 litres price: THB per litre
electricity unit: MW-hr price: THB per KW-hr

Our expectation for 2016 is that our sugar business operation will improve due to the world sugar price is in an uptrend compare to previous year as concerns over weather conditions affecting production volumes. But the world economy slow downs , may affect commodities price. However, the company expects lower sugar price to be compensated by the weaken Thai Baht against US dollars. Ethanol and power business are expected to perform quite stable eventhough the drought may affect sugarcane volume in 2016. This is because the company has increased crushing capacity, and therefore, expects the same sugarcane volume, bagasses and molasses.

REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors of Khon Kaen Sugar Industry Public Company Limited is responsible for the separated financial statement and consolidated financial statement of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards, with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosure and transparency of important information have been made in the notes to the financial statements. Both separated financial statement and consolidated financial statement have been audited by independent certified auditors who have given their unqualified opinions.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to be responsible for reviewing separated financial statement and consolidated financial statement, including evaluating the efficiency and the competence of internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is of the opinion that the Company's internal control system and the internal audit can reasonably assure the creditability of the separated financial statement and consolidated financial statement of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries for the year ended October 31, 2015, the statement of financial position, the operating results, and cash flows accurately according to generally accepted accounting principles.



(Mr. Manu Leopaibote)
Chairman of the Board and President



(Mr. Chamroon Chinthammit)
Chief Executive Officer and President

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To The Shareholders And Board Of Directors
Khon Kaen Sugar Industry Public Company Limited

We have audited the consolidated financial statements of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and the separate financial statements of Khon Kaen Sugar Industry Public Company Limited, which comprise the consolidated and separate statements of financial position as at October 31, 2015, and the related consolidated and separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Khon Kaen Sugar Industry Public Company Limited and its subsidiaries and of Khon Kaen Sugar Industry Public Company Limited as at October 31, 2015, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Wimolporn Boonyusthian

Certified Public Accountant (Thailand)

Registration No. 4067

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
December 22, 2015

STATEMENTS OF FINANCIAL POSITION

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
As At October 31, 2015

UNIT : BAHT					
	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at October 31, 2015	As at October 31, 2014	As at October 31, 2015	As at October 31, 2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.2	287,479,320	255,984,692	42,206,281	11,219,884
Temporary investments		6,839,374	22,680	-	-
Trade and other receivables	6	2,365,663,484	2,182,174,636	2,395,815,409	2,437,846,553
Short-term loans	7	1,096,635,110	1,234,193,233	1,784,395,560	2,838,686,559
Inventories	8	4,108,923,188	4,348,341,274	2,192,591,140	1,722,952,795
Other current assets		237,438,060	217,335,370	46,749,922	37,298,913
Total Current Assets		8,102,978,536	8,238,051,885	6,461,758,312	7,048,004,704
NON-CURRENT ASSETS					
Investments in an associate	9	38,657,944	25,663,649	73,800,000	73,800,000
Investments in subsidiaries	9	-	-	6,180,727,996	6,156,310,816
Other long-term investments	10	375,716,414	373,379,338	370,324,775	356,535,873
Long-term loans	11	480,477,523	444,975,728	4,409,737,929	65,050,151
Deferred cane plantation costs	12	517,926,022	542,706,897	24,811,146	41,479,615
Investment property	13	3,026,196,733	2,897,976,288	505,414,010	409,756,348
Property, plant and equipment	14	26,975,972,324	27,087,550,423	7,450,027,054	7,642,641,174
Intangible assets		49,255,954	51,169,322	36,109,081	35,896,573
Deferred tax assets	20	17,502,290	5,748,635	-	-
Other non-current assets	15	591,463,583	466,481,661	6,193,878	41,600,152
Total Non-Current Assets		32,073,168,787	31,895,651,941	19,057,145,869	14,823,070,702
TOTAL ASSET		40,176,147,323	40,133,703,826	25,518,904,181	21,871,075,406

Notes to the financial statements form an integral part of these statements

STATEMENTS OF FINANCIAL POSITION (Continued)

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries

As At October 31, 2015

UNIT : BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at October 31, 2015	As at October 31, 2014	As at October 31, 2015	As at October 31, 2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from					
financial institutions	16	4,789,742,555	8,043,272,906	935,001,787	2,671,776,975
Trade and other payables	17	1,472,785,810	2,380,251,062	695,977,401	971,302,109
Current portion of long-term					
debentures	18	999,908,704	1,499,889,247	999,908,704	1,499,889,247
Current portion of long-term					
borrowings	19	1,693,253,330	2,207,754,420	705,833,330	705,833,330
Short-term borrowings		6,100,000	3,200,000	1,265,100,000	680,200,000
Current income tax payable		68,276,217	50,360,157	-	-
Other current liabilities		125,849,038	137,527,667	22,642,763	4,619,512
Total Current Liabilities		9,155,915,654	14,322,255,459	4,624,463,985	6,533,621,173
NON-CURRENT LIABILITIES					
Long-term debentures	18	9,989,250,923	5,992,852,842	9,989,250,923	5,992,852,842
Long-term borrowings	19	4,946,390,195	4,277,013,706	2,859,666,660	1,765,499,990
Deferred tax liabilities	20	263,829,665	372,424,821	6,381,175	70,176,984
Employee benefit obligations	21	236,552,584	228,100,477	91,774,405	93,649,401
Other non-current liabilities		95,724,526	108,241,265	27,577,630	37,756,627
Total Non-Current Liabilities		15,531,747,893	10,978,633,111	12,974,650,793	7,959,935,844
TOTAL LIABILITIES		24,687,663,547	25,300,888,570	17,599,114,778	14,493,557,017

Notes to the financial statements form an integral part of these statements

STATEMENTS OF FINANCIAL POSITION (Continued)

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
As At October 31, 2015

UNIT : BAHT					
	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at October 31, 2015	As at October 31, 2014	As at October 31, 2015	As at October 31, 2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	22.2				
Authorized share capital					
4,009,312,522 ordinary shares					
of Baht 0.50 each		2,004,656,261		2,004,656,261	
1,870,000,000 ordinary shares					
of Baht 1.00 each			1,870,000,000		1,870,000,000
Issued and paid-up share capital					
4,009,312,407 ordinary shares					
of Baht 0.50 each, fully paid		2,004,656,204		2,004,656,204	
1,704,646,884 ordinary shares					
of Baht 1.00 each, fully paid			1,704,646,884		1,704,646,884
SHARE PREMIUM ACCOUNT – ORDINARY SHARES		2,946,439,199	2,946,439,199	2,946,439,199	2,946,439,199
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	200,466,000	187,000,000	200,466,000	187,000,000
Reserve for treasury stocks	22.1	–	433,153,677	–	433,153,677
Unappropriated		7,150,166,442	6,929,825,208	2,250,746,494	2,021,950,800
OTHER COMPONENTS OF EQUITY		1,107,633,335	1,044,121,924	517,481,506	517,481,506
		13,409,361,180	13,245,186,892	7,919,789,403	7,810,672,066
Less Treasury stocks (34,100,000 shares)	22.1	–	(433,153,677)	–	(433,153,677)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS					
OF THE PARENT		13,409,361,180	12,812,033,215	7,919,789,403	7,377,518,389
NON-CONTROLLING INTERESTS		2,079,122,596	2,020,782,041	–	–
TOTAL SHAREHOLDERS' EQUITY					
		15,488,483,776	14,832,815,256	7,919,789,403	7,377,518,389
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		40,176,147,323	40,133,703,826	25,518,904,181	21,871,075,406

Notes to the financial statements form an integral part of these statements

STATEMENTS OF INCOME

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

UNIT : BAHT					
	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2015	2014	2015	2014
Revenues from sales and revenues from services					
Revenues from the sales of goods		18,377,537,467	18,728,150,518	8,196,284,839	8,561,253,949
Revenues from the rendering of services		488,301,336	456,692,603	173,982,938	106,837,662
Total Revenues		18,865,838,803	19,184,843,121	8,370,267,777	8,668,091,611
Costs of the sales of goods and the rendering of services					
Cost of the sales of goods		(14,581,843,077)	(14,114,852,542)	(7,451,612,033)	(7,535,903,928)
Cost of the rendering of services		(254,675,219)	(242,861,240)	(68,437,964)	(62,203,214)
Total Costs		(14,836,518,296)	(14,357,713,782)	(7,520,049,997)	(7,598,107,142)
Gross profit		4,029,320,507	4,827,129,339	850,217,780	1,069,984,469
Other incomes		661,151,162	446,580,236	1,580,883,567	1,587,879,280
Selling expenses		(1,752,041,960)	(1,614,404,570)	(689,158,910)	(699,280,940)
Administrative expenses		(722,879,250)	(692,773,059)	(295,449,505)	(243,264,956)
Management benefit expenses	24	(197,196,948)	(193,074,079)	(52,506,029)	(48,704,320)
Loss on exchange rate		(140,955,618)	(33,751,732)	(76,746,090)	-
Finance costs		(848,766,480)	(834,339,008)	(559,106,232)	(494,639,266)
Share of profit (loss) of investments					
in an associate		13,579,296	(10,749,457)	-	-
Profit before income tax (expenses) income		1,042,210,709	1,894,617,670	758,134,581	1,171,974,267
Income tax (expenses) income	20	(92,699,408)	(109,220,016)	62,063,907	17,642,495
NET PROFIT FOR THE YEAR		949,511,301	1,785,397,654	820,198,488	1,189,616,762
PROFIT ATTRIBUTABLE TO:					
Owners of the parent		815,387,647	1,626,216,499	820,198,488	1,189,616,762
Non-controlling interest		134,123,654	159,181,155	-	-
		949,511,301	1,785,397,654	820,198,488	1,189,616,762
EARNINGS PER SHARE	27				
Basic earnings per share	BAHT	0.203	0.487	0.205	0.356
Basic number of ordinary shares	SHARES	4,009,312,522	3,341,093,768	4,009,312,522	3,341,093,768

Notes to the financial statements form an integral part of these statements

STATEMENTS OF COMPREHENSIVE INCOME

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

UNIT : BAHT

Notes	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Net profit for the year	949,511,301	1,785,397,654	820,198,488	1,189,616,762
Other comprehensive income (expense):				
Exchange differences on translating financial statements	79,343,439	50,322,557	-	-
Gain on remeasuring available-for-sale investments	2,762	709,152	-	-
Losses on revaluation of assets	-	(20,392,375)	-	(10,064,453)
Actuarial losses	(13,839,140)	(42,925,637)	(6,927,609)	(15,741,008)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,015,018,362	1,773,111,351	813,270,879	1,163,811,301
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO				
Owners of the parent	868,327,830	1,613,030,694	813,270,879	1,163,811,301
Non-controlling interests	146,690,532	160,080,657	-	-
	1,015,018,362	1,773,111,351	813,270,879	1,163,811,301

Notes to the financial statements form an integral part of these statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

UNIT : BAHT																
Notes	Issued and paid-up share capital	Share premium account Ordinary Shares	Owners of the parent										Treasury stocks	Total owners of the parent	Non -controlling interests	Total shareholders' equity
			Retained Earnings		Other components of equity											
			Appropriated	Un-appropriated	Other comprehensive income (expense)	Losses on internal restructure of entities under common control	Losses on change in ratio in subsidiaries	Total other components of equity								
			Legal reserve	Reserve for differences on translating financial statement	Gain (loss) on re-measuring available-for-sale investment	Gain (loss) on asset revaluation	Losses on change in ratio in subsidiaries	Total other components of equity								
	1,704,646,884	2,946,439,199	187,000,000	433,153,677	5,916,916,466	(44,608,146)	(343,054)	1,408,746,167	(264,043,132)	(83,641,192)	1,016,110,643	(433,153,677)	11,771,113,192	1,931,452,699	13,702,565,891	
For the year ended October 31, 2014																
Beginning balance as at November 1, 2013																
Changes in shareholders' equity during the year																
- Dividends paid	-	-	-	-	(584,691,237)	-	-	-	-	-	-	-	(584,691,237)	(70,751,315)	(655,442,552)	
- Transfer of gain on asset revaluation	-	-	-	-	12,580,566	-	-	-	-	-	-	-	12,580,566	-	12,580,566	
- Unrealized actuarial losses adjustment	-	-	-	-	(41,197,086)	-	-	-	-	-	-	-	(41,197,086)	(1,728,551)	(42,925,637)	
- Total comprehensive income (expense) for the year	-	-	-	-	1,626,216,499	40,279,981	205,553	(12,474,253)	-	-	-	-	1,654,227,780	161,809,208	1,816,036,988	
Ending balance as at October 31, 2014																
	1,704,646,884	2,946,439,199	187,000,000	433,153,677	6,929,825,208	(4,328,165)	(137,501)	1,396,271,914	(264,043,132)	(83,641,192)	1,044,121,924	(433,153,677)	12,812,033,215	2,020,782,041	14,832,815,256	

Notes to the financial statements form an integral part of these statements

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

UNIT : BAHT

Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Owners of the parent							Treasury stocks	Total owners of the parent	Non -controlling interests	Total shareholders' equity		
			Retained Earnings		Other components of equity										
			Appropriated	Un-appropriated	Other comprehensive income (expense)	Losses on internal restructure of entities under common control	Losses on change in ratio in subsidiaries								
			Legal reserve	Reserve for treasury stocks	Exchange differences on translating financial statement	Gain (loss) on asset revaluation -for-sale investment	Gain (loss) on restructuring of entities								
For the year ended October 31, 2015															
Beginning balance as at November 1, 2014															
	1,704,646,884	2,946,439,199	187,000,000	433,153,677	6,929,825,208	(4,328,165)	(137,501)	1,396,271,914	(264,043,132)	(83,641,192)	1,044,121,924	(433,153,677)	12,812,033,215	2,020,782,041	14,832,815,256
Changes in shareholders' equity during the year															
- Reversal of treasury stock	22.1	(34,100,000)	-	- (433,153,677)	34,100,000	-	-	-	-	-	-	433,153,677	-	-	-
- Dividends paid	23	-	-	-	(270,999,865)	-	-	-	-	-	-	-	(270,999,865)	(88,349,978)	(359,349,843)
- Dividends stock	23	334,109,320	-	-	(334,109,320)	-	-	-	-	-	-	-	-	-	-
- Legal reserve	23	-	-	13,466,000	-	(13,466,000)	-	-	-	-	-	-	-	-	-
- Unrealized actuarial losses adjustment		-	-	-	(10,571,228)	-	-	-	-	-	-	-	(10,571,228)	(3,267,912)	(13,839,140)
- Total comprehensive income for the year		-	-	-	815,387,647	63,510,753	658	-	-	-	-	63,511,411	878,899,058	149,958,445	1,028,857,503
Ending balance as at October 31, 2015															
	2,004,656,204	2,946,439,199	200,466,000	-	7,150,166,442	59,182,588	(136,843)	1,396,271,914	(264,043,132)	(83,641,192)	1,107,633,335	-	13,409,361,180	2,079,122,596	15,488,483,776

Notes to the financial statements form an integral part of these statements

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

UNIT : BAHT										
Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Legal reserve	Appropriated	Retained Earnings	Unappropriated	Other components of equity		Treasury stocks	Total shareholders' equity
							Other comprehensive income (expense)	Total other components of equity		
							Gain (loss) on asset revaluation			
For the year ended October 31, 2014										
Beginning balance as at November 1, 2013	1,704,646,884	2,946,439,199	187,000,000	433,153,677	1,420,185,716	527,545,960	527,545,960	527,545,960	(433,153,677)	6,785,817,759
Changes in shareholders' equity during the year										
- Dividends paid	-	-	-	-	-	(584,691,237)	-	-	-	(584,691,237)
- Transfer of gain on asset revaluation	-	-	-	-	-	12,580,566	-	-	-	12,580,566
- Unrealized actuarial loss adjustment	-	-	-	-	-	(15,741,007)	-	-	-	(15,741,007)
- Total comprehensive income (expense) for the year	-	-	-	-	-	1,189,616,762	(10,064,454)	(10,064,454)	-	1,179,552,308
Ending balance as at October 31, 2014	1,704,646,884	2,946,439,199	187,000,000	433,153,677	2,021,950,800	517,481,506	517,481,506	517,481,506	(433,153,677)	7,377,518,389

Notes to the financial statements form an integral part of these statements

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Cont.)

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

UNIT : BAHT										
Notes	Issued and paid-up share capital	Share premium account Ordinary shares	Retained Earnings		Other components of equity			Treasury stocks	Total shareholders' equity	
			Appropriated		Unappropriated	Other comprehensive income (expense)	Total other components of equity			
			Legal reserve	Reserve for treasury stocks						
										Gain (loss) on asset revaluation
For the year ended October 31, 2015										
Beginning balance as at November 1, 2014										
	1,704,646,884	2,946,439,199	187,000,000	433,153,677	2,021,950,800	517,481,506	517,481,506	(433,153,677)	7,377,518,389	
Changes in shareholders' equity during the year										
- Reversal of treasury stock	22.1	(34,100,000)	-	(433,153,677)	34,100,000	-	-	433,153,677	-	
- Dividends paid	23	-	-	-	(270,999,865)	-	-	-	(270,999,865)	
- Dividends stock	23	334,109,320	-	-	(334,109,320)	-	-	-	-	
- Legal reserve	23	-	-	13,466,000	-	(13,466,000)	-	-	-	
- Unrealized actuarial loss adjustment		-	-	-	-	(6,927,609)	-	-	(6,927,609)	
- Total comprehensive income for the year		-	-	-	-	820,198,488	-	-	820,198,488	
Ending balance as at October 31, 2015										
	2,004,656,204	2,946,439,199	200,466,000	-	2,250,746,494	517,481,506	517,481,506	-	7,919,789,403	

Notes to the financial statements form an integral part of these statements

STATEMENTS OF CASH FLOWS

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

UNIT : BAHT

Notes	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax (expenses) income	1,042,210,709	1,894,617,670	758,134,581	1,171,974,267
Adjustments for:				
Dividend income	-	-	(1,083,235,870)	(1,309,815,469)
Doubtful accounts – trade and other receivables (reversal)	143,860	(59,773,036)	(2,053,186)	(993,112)
Share of (gain) loss on investments in an associate	(13,579,295)	10,749,457	-	-
Amortization of premium on bonds	248,891	164,370	11,098	19,437
Employee benefit expenses	20,853,466	2,093,575	7,972,877	2,623,067
Loss on damaged cane and adjustment to decrease the cane plantation costs	15,453,118	5,319,034	-	-
Loss from diminution in value of inventories (reversal)	(14,512,004)	93,852,075	24,897,931	3,977,154
Depreciation and amortization	1,251,715,253	1,131,346,992	395,266,147	313,404,059
Gain on disposal and write off of assets	(400,851)	(15,307,478)	(7,220,010)	(9,721,035)
Gain on sale of other long-term investments	(298,808)	-	-	-
Unrealized loss (gain) on exchange rate	1,326,938	3,059,540	3,445,684	(1,992,077)
Interest expenses	845,184,017	806,797,958	555,523,769	362,901,271
Finance costs	3,582,463	2,486,959	3,582,463	2,486,959
	3,151,927,757	3,875,407,116	656,325,484	534,864,521
Operating assets (increase) decrease				
Trade and other receivables	(206,558,197)	(883,744,667)	(187,958,459)	(657,131,295)
Inventories	253,930,090	(794,736,511)	(494,536,276)	(69,175,136)
Other current assets	(10,591,520)	2,128,443	(990,275)	23,196,464
Deferred cane plantation costs	72,693,475	(14,498,356)	16,816,918	1,225,683
Other non-current assets	2,894,062	26,131,931	6,695,410	1,881,068
Operating liabilities increase (decrease)				
Trade and other payables	(764,829,742)	407,781,887	(232,712,784)	36,105,981
Other current liabilities	(11,678,629)	2,011,380	18,023,251	(8,745,211)
Employee benefit obligations	(25,473,610)	(7,419,580)	(18,507,384)	(2,108,934)
Other non-current liabilities	(12,516,739)	(53,685,379)	(10,178,997)	(54,983,306)
Cash received from (paid for) operating activities	2,449,796,947	2,559,376,264	(247,023,112)	(194,870,165)
Interest paid	(835,493,826)	(784,358,454)	(542,646,831)	(333,546,339)
Income tax expense paid	(205,410,908)	(177,227,400)	(8,460,733)	(8,068,486)
Net cash provide by (used in) operating activities	1,408,892,213	1,597,790,410	(798,130,676)	(536,484,990)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash payment from purchases of temporary investments	(400)	-	-	-
Cash received from sales of temporary investments	-	13,499,479	-	-
Decrease (Increase) in short-term and long-term loans	102,253,298	(183,184,780)	(3,290,396,779)	1,068,642,990
Cash payments for investments in subsidiaries	-	-	(24,417,181)	-

STATEMENTS OF CASH FLOWS (Continued)

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

UNIT : BAHT

Notes	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Cash payments for purchases of other long-term investments	(22,646,000)	(350,000,000)	(20,000,000)	(350,000,000)
Cash received from redemption and sales of other long-term investments	13,546,000	1,200,000	6,200,000	-
Cash received from dividends of subsidiaries, associate and other companies	585,000	390,000	1,125,750,858	490,047,827
Cash payments for purchases of property, plant and equipment	(964,929,947)	(2,650,105,216)	(216,588,984)	(1,163,117,654)
Cash received from sales of property, plant and equipment	8,554,453	12,425,893	13,989,229	51,724,675
Cash received from sales of investment property	618,278	640,000	-	-
Cash payments for purchases of investment property	(5,984,253)	(36,476,478)	-	-
Cash payments for purchases of assets not yet used in operation	(59,812,099)	-	-	-
Cash received from sales of assets not yet used in operation	1,195,615	12,289,270	-	-
Cash payments for purchases of intangible assets	(4,521,400)	(15,774,528)	(4,460,000)	(14,157,725)
Net cash (used in) provided by investing activities	(931,141,455)	(3,195,096,360)	(2,409,922,857)	83,140,113
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in short-term borrowings from financial institutions	(3,256,755,163)	(1,354,672,400)	(1,740,000,000)	(2,969,792,000)
Increase in short-term borrowings from related parties	2,900,000	3,200,000	758,899,984	83,665,242
Cash payment for payables on purchases of assets	(332,833,459)	(640,964,188)	(99,444,397)	(242,336,353)
Cash received from long-term debentures	4,996,417,538	4,992,610,810	4,996,417,538	4,992,610,810
Cash payment for long-term debentures	(1,500,000,000)	-	(1,500,000,000)	-
Cash received from long-term borrowings	3,860,935,969	2,487,397,567	2,500,000,000	-
Cash payment for long-term borrowings	(3,724,864,530)	(3,123,853,330)	(1,405,833,330)	(855,833,330)
Cash received from increase in capital of subsidiary of non-controlling interests	(13,134,980)	-	-	-
Cash payment of dividends for the shareholders of the parent	(270,999,865)	(584,691,237)	(270,999,865)	(584,691,237)
Cash payment of dividends to non-controlling interests	(75,214,998)	(70,751,315)	-	-
Net cash provided by (used in) financing activities	(313,549,488)	1,708,275,907	3,239,039,930	423,623,132
Exchange differences on translation of cash of foreign subsidiaries	(132,706,642)	(53,706,388)	-	-
Net increase (decrease) in cash and cash equivalents	31,494,628	57,263,569	30,986,397	(29,721,745)
Cash and cash equivalents at the beginning of the year	255,984,692	198,721,123	11,219,884	40,941,629
Cash and cash equivalents at the end of the year	287,479,320	255,984,692	42,206,281	11,219,884

Notes to the financial statements form an integral part of these statements

NOTES TO THE FINANCIAL STATEMENTS

Khon Kaen Sugar Industry Public Company Limited And Subsidiaries
For The Year Ended October 31, 2015

1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY

Khon Kaen Sugar Industry Public Company Limited (the "Company") was registered as a limited company under the Civil and Commercial Code with the registration number 1163/2519 on October 6, 1976 and was registered as a limited public company on March 18, 2004 with the registration number Bor Mor Jor 0107547000214 and was listed with the Stock Exchange of Thailand on March 7, 2005. Its registered headquarter is located at No. 503 K.S.L. Tower, 9th Floor, Sriyudahya Road, Thanon Phaya Thai Sub-District, Ratchathewi District, Bangkok, and the locations of its 5 factories (branches) are as follows :

Branch I at No. 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province

Branch II at No. 255 Moo 4, Tambol Nongyaplong, Amphur Wangsaphung, Loei Province

Branch III at No. 99 Moo 6, Tambol Lumlang, Amphur Boploy, Kanchanaburi Province

Branch VI at No. 14/1 Moo 10, Saengchooto Road, Tambol Tamaka, Amphur Tamaka, Kanchanaburi Province

Branch V at No. 24 Moo 1, Ban-Nhongbua Road, Tambol Mon-Nang, Amphur Panutnikom, Chonburi Province.

The Company's main businesses are to manufacture and distribute sugar and molasses and trading of spare parts and supplies to its subsidiaries, subcontractors and farmers who have business with the Company and/or its subsidiaries. The subsidiaries' main business operations are listed in Note 2.2.

The Company's major shareholder is K.S.L. Sugar Holding Co., Ltd., a company incorporated in Thailand, which holds 32.26% of issued and paid-up shares capital.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Company and its subsidiaries in Thailand maintain their accounting records in Thai Baht and prepare their statutory financial statements in Thai language in conformity with Thai Financial Reporting Standards issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

The financial statements of the foreign subsidiaries are translated into Thai Baht for preparation of the consolidated financial statements (see Note 3.22).

2.1 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2009) "Presentation of Financial Statements", and the regulation of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement B.E. 2554" dated September 28, 2011.

The financial statements have been prepared under the historical cost basis except as disclosed in the significant accounting policies.

2.2 These consolidated financial statements included the accounts of the Company and its subsidiaries ("the Group"). Significant transactions and balances between the Company and its subsidiaries have been eliminated. The structure of the Group as at October 31, is as follows:

Company Name	Percentage of Shareholding		Country of Incorporation	Type of Business
	2015 %	2014 %		

Subsidiaries in which the Company holds shares directly and indirectly

Thai Sugar Terminal Public Company Limited*	23.82	23.82	Thailand	Transfer and transportation services for certain agriculture products, warehouse rental, land trading operation, land lots appropriation and construction of building on land for sales and rental
New Krung Thai Sugar Factory Company Limited	95.78	95.78	Thailand	Manufacture and distribution of sugar and molasses
Tamaka Sugar Industry Company Limited	90.21	90.21	Thailand	Manufacture and distribution of sugar and molasses
New Kwang Soon Lee Sugar Factory Company Limited	98.61	98.61	Thailand	Manufacture and distribution of sugar and molasses
KSL Real Estate Company Limited	91.02	91.02	Thailand	Housing and land for agriculture estate including holiday resort for training and seminar center and office building for rental
K.S.L. Export Trading Co., Ltd.	79.55	79.55	Thailand	Export sugar as exporting agent
KSL Material Supplies Co., Ltd.	100.00	100.00	Thailand	Trading of bio-fertilizer and service provider for group companies
Khon Kaen Sugar Power Plant Company Limited	100.00	100.00	Thailand	Production and distribution of electricity
Khon Kaen Alcohol Company Limited	100.00	100.00	Thailand	Manufacture and distribution of alcohol or fuel from agricultural produce and bio-fertilizer
KSL Agro & Trading Company Limited	100.00	100.00	Thailand	Domestic sugar trading and agricultural business operation
Savannakhet Sugar Corporation	98.49	98.49	Laos	Agricultural operation, manufacture and distribution of sugar and molasses
Koh Kong Sugar Industry Co., Ltd.	80.00	80.00	Cambodia	Manufacture and distribution of sugar and molasses
Wynn In Trading Co., Ltd.	100.00	100.00	Mauritius	Trading and consultancy services

* The Company participates in controlling power, thus it is considered as subsidiary under the definition specified in Thai Financial Reporting Standards.

Company Name	Percentage of Shareholding Indirect		Percentage of Shareholding Direct and indirect		Country of Incorporation	Type of Business
	2015 %	2014 %	2015 %	2014 %		

Subsidiaries which the Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited

T S G Asset Co., Ltd.*	19.00	19.00	23.11	23.11	Thailand	Property rental
T S Oil Industry Co., Ltd.*	27.86	27.86	28.48	28.48	Thailand	Property purchase, sales, rental and development, and palm oil extracting operation
T S Flour Mill Public Company Limited*	16.52	16.52	16.59	16.59	Thailand	Produce and distribute wheat flour
T S Warehouse Co., Ltd.*	15.28	15.28	19.30	19.30	Thailand	Warehousing and loading of goods

Company Name	Percentage of Shareholding Indirect		Percentage of Shareholding Direct and indirect		Country of Incorporation	Type of Business
	2015	2014	2015	2014		
	%	%	%	%		
Subsidiaries which the Company holds shares directly and indirectly through Thai Sugar Terminal Public Company Limited (Contiued)						
T S Transport and Logistic Co., Ltd.*	20.46	20.46	30.58	30.58	Thailand	Production of polypropylene bag, plastic fiber, plastic resin and plastic, including the purchase anddistribution of the said products, security services and transfer good for cargo ship

Subsidiary which the Company holds shares indirectly through Wynn In Trading Co., Ltd.

Koh Kong Plantation Company Limited	80.00	80.00	80.00	80.00	Cambodia	Agricultural operation
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* The Company participates in controlling power, thus they are considered as subsidiaries under the definition specified in Thai Financial Reporting Standards.

The accounting periods of subsidiaries ended the same date as the Company (accounting period ended on October 31) except for 10 subsidiaries whose accounting periods ended December 31, as follows:

- Tamaka Sugar Industry Company Limited
- New Kwang Soon Lee Sugar Factory Company Limited
- Thai Sugar Terminal Public Company Limited
- T S Oil Industry Co., Ltd.
- T S Warehouse Co., Ltd.
- New Krung Thai Sugar Factory Company Limited
- KSL Agro & Trading Company Limited
- T S G Asset Co., Ltd.
- T S Flour Mill Public Company Limited
- T S Transport and Logistics Co., Ltd.

The consolidated financial statements are prepared based on the same accounting policies for the same accounting items or similar accounting events.

Significant balances and transactions between the Company and its subsidiaries including investments in subsidiaries and subsidiaries' share capital were eliminated from the consolidated financial statements.

2.3 New or revised Thai Financial Reporting Standards

2.3.1 Adoption of new and revised Thai Financial Reporting Standards

Since November 1, 2014, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by The Federation of Accounting Professions, which are effective for the accounting period beginning on or after January 1, 2014 onwards, in the preparation and presentation of these financial statements as follows:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Venture

TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of Assets
TAS 38 (Revised 2012)	Intangible Assets

Thai Financial Reporting Standards (TFRS)

TFRS 2 (Revised 2012)	Share-based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations

Thai Accounting Standard Interpretations (TSIC)

TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Disclosure : Service Concession Arrangement
TSIC 32	Intangible Assets - Website Costs

Thai Financial Reporting Interpretations (TFRIC)

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangement
TFRIC 13	Customer Loyalty Programmers
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting treatment guidance

Accounting treatment guidance for stock dividends

The adoption of those TFRSs, relevant to the Group, has no material impact on these financial statements.

2.3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions issued the Notifications regarding Thai Financial Reporting Standards (TFRS), which are effective for the accounting period beginning on or after January 1, 2015, onwards as follows:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible Assets
TAS 40 (Revised 2014)	Investment Property

Thai Financial Reporting Standards (TFRS)

TFRS 2 (Revised 2014)	Share-based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 4 (Revised 2014)	Insurance Contracts
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

TSIC 10 (Revised 2014)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (Revised 2014)	Operating Leases – Incentives
TSIC 25 (Revised 2014)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2014)	Disclosures : Service Concession Arrangements
TSIC 31 (Revised 2014)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets – Web Site Costs

Thai Financial Reporting interpretations (TFRIC)

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 (Revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2014)	Service Concession Arrangements
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (Revised 2014) The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The Group's management will adopt the above TFRSs relevant to the Group in the preparation of the financial statements of the Group when they become effective. In addition, the Group's management has assessed the effects of these standards effective on January 1, 2015 and believes that they will not have any significant impact on the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company for the period in which they are initially applied.

The Federation of Accounting Professions issued the Notification regarding Thai Financial Reporting Standards (TFRS), which are effective for the accounting period beginning on or after January 1, 2016 onwards as follows:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events after the Reporting Period
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41 (Revised 2015)	Agriculture

Thai Financial Reporting Standards (TFRS)

TFRS 2 (Revised 2015)	Share-based Payment
TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts

TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2015)	Operating Segments
TFRS 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

TSIC 10 (Revised 2015)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases – Incentives
TSIC 25 (Revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2015)	Disclosures : Service Concession Arrangements
TSIC 31 (Revised 2015)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets – Web Site Costs

Thai Financial Reporting interpretations (TFRIC)

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2015)	Levies

The Group's management will adopt the above TFRSs relevant to the Group in the preparation of the financial statements of the Group when they become effective. The Group's management is in the process to assess the impact of these TFRSs on the consolidated financial statements of the Company and subsidiaries and separate financial statements of the Company for the period when they are initially applied.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents includes cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits, and short-term investments which are not exceeding 3 months duration for repayment with no obligation commitment.

3.2 Trade receivables, farmer receivables, and other receivables

Trade receivables, farmer receivables, and other receivables are stated at the net realizable value.

Allowance for doubtful accounts is assessed primarily on analysis of payment histories, future expectations of customer payments and the value of collateral (if any). Bad debts are written off when incurred.

3.3 Inventories

Inventories are stated at the lower of cost or net realizable value, and adjusted by allowance for obsolete and slow-moving or out-of-date goods. Cost is calculated as follows:

- Direct raw materials and trading finished goods are calculated using the first-in, first-out method.
- Indirect raw materials and factory supplies are calculated using the moving average method.
- Goods in process and finished goods of sugar and molasses are calculated by the average production cost in each production year using the first-in, first-out method.
- Finished goods of organic fertilizer are calculated by actual cost using the first-in, first-out method.
- Goods in process of organic fertilizer are calculated by actual cost using the specific method.
- Goods in process and finished goods of alcohol, wheat flour and polypropylene bags are calculated by actual cost using the first-in, first-out method.
- Machine maintenance supplies are calculated using the moving average method.

The common production costs incurred in the production process are not allocated to bagasse and other by-products from productions of sugar and wheat flour; therefore, revenues from sales of such products are presented as deduction to production costs in each production season.

3.4 Real estate development

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

3.5 Investments

3.5.1 Investments in an associate in the consolidated financial statements are recorded by the equity method and in the separate financial statements are recorded under the cost method net by the allowance for impairment. The change in the investment is recognized in the statement of income when the investment is disposed or the impairment of the investment incurred.

3.5.2 Investments in subsidiaries in the separate financial statements are recorded under the cost method net by the allowance for impairment. The change in the investment is recognized in the statement of income when the investment is disposed or the impairment of the investment incurred.

3.5.3 Investments in marketable debts and equity instruments which are recorded as securities available-for-sale are those held for an unspecified period which might be sold in need of liquidity and shown in total under of non-current assets except the management has intention to hold them less than 12 months from the statement of financial position date or the management is to sell them to increase the working capital. In the latter case, they will be classified as current asset. Normally, the management will fix the appropriate classification at the time of investing and will review the classification regularly. These investments are stated at fair values which are calculated from the latest quote of purchase price as of the reporting period and recognized the change in value in the statement of comprehensive income. When these investments are sold or impaired in value, the recognition will be made through the statement of income.

3.5.4 Investments in debt instruments, which are held to maturity, will be classified as short-term or long-term investments according to the remaining maturity period. They are stated at amortized cost and deducted by the allowance for impairment (if any). Premium/discount over value of debt instruments is amortized by effective interest rates method and the amortization amount will be presented in the statement of income.

3.5.5 General investments are non-marketable equity instruments are stated at cost less allowance for impairment (if any). Change in value of general investments is recognized in the statement of income when they are sold or impaired.

3.6 Deferred cane plantation costs

Deferred cane plantation costs are the accumulated costs of cane plantation consisting of purchase costs of breed canes, costs of cane harvested for cane breeding, fertiliser costs, wages and other related direct expenses which are measured at cost deducted by accumulated amortization and the allowance for impairments. For harvested canes transferred as raw material cost in production and cost of goods sold as at the harvest date, they are valued at fair value deducted by estimated expense at point of sale. The fair value of cane is considered from price which the Group expects to purchase from cane farmers in each region.

3.7 Investment property

Investment property consist of land, land improvement and building and warehouse leased out. Land is presented at cost. Land improvement and building and warehouse are presented at cost less accumulated depreciation and the allowance for impairment (if any).

Depreciation of building and warehouse leased out is calculated by the straight-line method based on the estimated useful lives of the assets of 5 - 20 years.

Fair value is determined by an independent appraiser who has been approved by the Office of the Securities and Exchange Commission (Thailand) using replacement cost to property value residual value and the remaining useful life of investment property.

3.8 Property, plant and equipment

Land is stated at the revalued amount less allowance for impairment (if any). The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation. Plant and equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).

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

Depreciation of the plant and equipment is calculated from the cost using the straight-line method over their estimated useful lives, (except for machineries of the Company and subsidiaries which are in the business relating to the sugar and molasses manufacture and distribution) as follows:

Land improvement	5 - 61	years
Buildings and construction	2 - 58	years
Machineries and equipment	3 - 43	years
Motor vehicles and labor saving tools	4 - 20	years
Furniture and office equipment	3 - 20	years

Machineries of the Company and its subsidiaries which are in the business relating to the sugar and molasses manufacture and distribution are depreciated based on the machinery production hours, which is equivalent to approximately 5 - 50 production seasons. The production capacity of machines is estimated by the engineers of the Group.

Depreciation calculated is included in the calculation of the operating result and no depreciation is calculated for the land and construction in progress.

Interest expenses incurred from the loans obtained especially for the construction in progress project and during installation of equipment are included in the cost of the said construction in progress until it is ready for its intended usage.

3.9 Intangible assets

Intangible assets are stated at cost less accumulated depreciation and the allowance for impairment (if any).

Amortization is calculated by the straight-line method over estimated useful life computer's software which is estimated between 5 – 10 years.

Amortization of intangible assets in foreign countries are based on the rate required in each country.

Impairment losses are recognized in the statement of income when incurred.

3.10 Assets not used in operation

Assets not used in operation are initially recorded by cost method less accumulated depreciation and allowance for impairment (if any).

3.11 Impairment of assets

Impairment of assets is assessed at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount will be estimated. When the carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognized in the statements of income (an asset's recoverable amount is the higher of net selling price or value in use of the assets).

3.12 Debentures

Debentures are initially recorded at cost by calculating from the fair value of the money received, which comprised of the fund received net by the direct costs from the issuances of debentures such as the management fee, debenture holder's representatives trustee appointment fee and the fee for financial advisor for debenture issuances. Such costs are amortized as expenses using the straight-line method, which is not significantly differ from the effective rate method. The said expenses would be recorded over various periods throughout the periods of debentures according to each period's outstanding value of debentures. Interest bearing liabilities are presented at cost and expenses related to the occurrence of liabilities are recorded as expenses for the year.

3.13 Provisions

The Company and its subsidiaries will record provisions when it is highly certain that obligations will occur at present legally or reliable estimate as a result of past events. These obligations are expected to cause an outflow of resources embodying economics benefits resulting to settle such obligations and these amounts to be paid can be estimated reliably. If there is expectation to recover payment toward estimated liabilities certainly by all or part, the returned payment will be recognized as separate asset but its amount must not be more than related estimated liabilities and the expense related to liability estimates is shown in the statement of income at amount net by recognized amount of expense to be recovered.

3.14 Employee benefits

3.14.1 Provident fund

The Company and its subsidiaries have a provident fund for those employees who have indicated their willingness to join. The contributions from the employees are deducted from their monthly salaries, with the Company matching the individuals' contributions. The provident fund is managed by a financial institution which is authorized by the Government in accordance with the Provident Fund Act B.E. 2530.

The contribution for employee provident fund is recorded as expenses when incurred.

3.14.2 Post-employment benefits

The Company and its subsidiaries operate post-employment benefits under the Thai Labor Protection Act and the Company and its subsidiaries' retirement rules. Such employee benefit obligations are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of services and other factors. Discount rate used in calculation of the post-employment benefit obligations is referred from the yield curve of government bond. Actuarial gains (losses) are recognized in other comprehensive income in the period when they incur. Expenses related to employee benefits are recognized in the statement of income in order to allocate such costs throughout the service period.

3.15 Share premium account on ordinary shares

Share premium account on ordinary shares is stated in accordance with Section 51 of the Public Limited Company Act B.E. 2535, in the event the Company offers the ordinary shares for sale at the price exceeding the registered share price, the Company shall appropriate this surplus as reserve ("Share premium account on ordinary shares"). This share premium account on ordinary shares cannot be paid out as dividend.

3.16 Other components of equity

3.16.1 Losses on internal restructure of entities under common control is the difference between net carrying value of investment received and purchase cost of investment occurred from internal restructure of entities under common control. This investment was a merger of entities with the same former shareholders and management and the said difference is shown as a separate item in the statement of financial position under shareholders' equity and it is written off when the investment is disposed.

3.16.2 Losses on change in shareholding ratio in subsidiaries is the difference between the investment for changed proportion in subsidiaries and book value of the subsidiaries resulted from change in proportion of investment in that subsidiaries. This difference is shown as a separate item in the statement of financial position under the shareholders' equity and it is written off when the investment is disposed.

3.17 Non-controlling interests

Non-controlling interests mean the book value of the net assets of the subsidiaries in according to the shareholding ratio of the non-controlling interests or the participating portion which does not belong to the shareholders of the parent. The non-controlling interests are presented in a separate caption under the shareholders' equity in the consolidated statement of financial position and profit (loss) of the non-controlling interests are presented in a separate caption of the consolidated statement of income.

3.18 Revenue recognition

The recognized revenue excludes value added taxes and other sales taxes. Revenue is presented net off discounts. The policies are as follows:

3.18.1 Revenues from sales are recognized when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the economic benefit due from the sale of goods or render of services or the amount of the revenue and cost incurred could not be reasonably measured or the probable return of goods.

3.18.2 Revenues from services, which the lengths of the services are short-term, are recognized when services are rendered.

3.18.3 Revenues from rental are recognized over the term of the lease.

3.18.4 Revenues from sale of land are recognized when the land ownership has already been transferred to the purchaser.

- 3.18.5 Revenues from sales of houses together with land are recognized in accordance with installments due for payment under gross margin method. If the payment of installments due is more than the percentage of work completed, it would be restrictively recognized only that amount pursuant to the work already completed. Revenue will be ceased to recognize immediately if purchaser becomes overdue by more than three consecutive installments.
- The amount of money received by installments which exceeding the percentage of the work completed will be recorded as advance received from purchaser and is presented as other liabilities in the statement of financial position.
- 3.18.6 Revenues from sale of electricity and steam are recognized when the products steam are delivered and the customers have accepted the deliveries.
- 3.18.7 Interest income and discount receivable from discounting notes receivable are recognized according to the related period.
- 3.18.8 Dividend income is recognized when entitled to receive such dividend.
- 3.18.9 Other incomes are recognized on an accrual basis.
- 3.19 Expense recognition
- The policies relating to expenses are as follows:
- 3.19.1 In case of cost of sales for house together with land, all estimated development costs of properties are allocated based on actual costs to house and land sold according to saleable areas. Cost of sales is recognized in the statement of income according to proportion of revenue recognition.
- 3.19.2 Other expenses are recognized on an accrual basis.
- 3.20 Leases
- Operating lease
- Lease in which substantially the risks and ownership of assets remain with the lessor is accounted for as operating lease. Rental applicable to such operating leases are charged to the statement of income using the straight-line method over the lease period.
- Finance lease
- Lease for equipment which substantially transfer all the risks and rewards of ownership to the lessee is classified as finance lease. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased equipment or the present value of the minimum lease payments. The related interest is recognized by effective interest rate method over the term of contracts and charged to the statement of income. The equipment acquired under finance leasing contracts is depreciated over the estimated useful lives of the equipment using the straight-line method.
- 3.21 Finance costs
- Finance costs such as interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.
- 3.22 Foreign currency transactions
- Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on that date. Exchange gains or losses either realized or unrealized are included as incomes or expenses in the statement of income for the year.

The financial statements of overseas subsidiaries are translated to Thai Baht in preparation of the consolidated financial statements as follows:

- a. Assets and liabilities are translated to Thai Baht at the foreign exchange rates ruling at statement of financial position date.
- b. Shareholders' equity is translated to Thai Baht at the foreign exchange rates on the transaction date.
- c. Revenues and expenses are translated to Thai Baht at average foreign exchange rates for the year.

Gain (loss) on translation of the financial statements prepared in foreign currencies are presented under shareholders' equity.

3.23 Related parties

Related parties with the Company and its subsidiaries represent individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the common control with the Company and its subsidiaries. Furthermore, the related parties also represent the associates and the parties who hold the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or employees of the Company and its subsidiaries who have power to plan and control the operations of the Company and its subsidiaries, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

3.24 Income tax expense

Income tax expenses represents the sum of the current tax and deferred tax.

3.24.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

3.24.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). The Company and its subsidiaries recognize deferred tax liabilities for all temporary differences, and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each statement of financial position date. Deferred tax assets shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Company and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered.

The Company and its subsidiaries measures deferred tax assets and deferred tax liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

In the consolidated financial statements, deferred tax assets and deferred tax liabilities are recognized by each company in the Group, and deferred tax asset of one company in the Group is offset against deferred tax liability of another company in the Group if, and only if, the companies concerned have a legally enforceable right to make or receive a single net payment and the companies intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

3.25 Earnings per share

The calculations of basic earnings per share were based on the profit for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year net of treasury stocks. The calculations of diluted earnings per share (if any) were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.26 Sectorial business operations

Sectorial business operations are disclosed under the separate business sectors of the Group. By the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

3.27 Financial assets and liabilities

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

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

3.28 Use of accounting estimates

The preparation of consolidated and separate financial statements in conformity with Thai Financial Reporting Standards also requires the Company's and its subsidiaries' management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4. ADDITIONAL CASH FLOW INFORMATION AND CASH EQUIVALENTS

4.1 Significant non-cash items in the consolidated and separate financial statements for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT				
Type of Transactions	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Unrealized gain from available-for-sale securities	3	886	-	-
Transfer of depreciation to deferred cane plantation costs	33,189	41,753	148	2,991
Purchases of property, plant and equipment which have not yet been paid	182,253	228,379	43,598	100,185
Interest expenses capitalized as asset costs	8,982	15,790	-	5,351
Transfer of trade and other receivables to other non-current assets	19,299	-	12,082	-
Transfer of other current assets to property, plant and equipment	-	122	-	-
Transfer of property, plant and equipment to investment property and assets not used in operations	210,280	2,305	-	-
Transfer of assets not used in operations as an investment property	43,391	-	99,889	-
Transfer of property, plant and equipment to intangible assets	-	15,040	-	-
Transfer of assets not used in operations to property, plant and equipment	236	-	-	-
Transfer of other non-current assets to property, plant and equipment	-	73,286	-	-
Transfer of investment property to property, plant and equipment and assets not used in operations	31,743	41,047	-	-
Decrease in short-term borrowings from subsidiaries by offsetting against dividend received	-	-	174,000	689,765
Transfer short-term and long-term loans to trade and other receivables	60,000	504	-	-

4.2 Cash and cash equivalents as at October 31, are as follows:

UNIT : MILLION BAHT				
Type of Transactions	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Cash	3,333	4,448	939	1,302
Current accounts deposits	35,513	30,381	7,907	9,550
Savings accounts deposits	238,633	211,156	33,360	368
Fixed deposits with 3 month maturity	10,000	10,000	-	-
Total	287,479	255,985	42,206	11,220

5. TRANSACTIONS WITH RELATED PARTIES

The Company and its subsidiaries had transactions incurred with related parties through common shareholdings or directorship. Significant balances and transactions between the Company and its subsidiaries with related parties could be summarized as follows:

5.1 Significant balances with related parties as at October 31, are as follows:

UNIT : MILLION BAHT				
Type of Balances	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Trade and other receivables				
Subsidiaries	-	-	204.74	180.61
Related parties	2.89	12.80	0.21	0.01
Total	2.89	12.80	204.95	180.62
Accrued dividend receivable from subsidiaries (included in other receivables)				
Subsidiaries	-	-	1,083.24	1,299.75
Short-term loans				
Subsidiaries	-	-	1,588.02	2,538.86
Other current assets				
Subsidiaries	-	-	37.70	6.90
Related parties	1.24	0.18	0.38	-
Total	1.24	0.18	38.08	6.90
Long-term loans				
Subsidiaries	-	-	4,283.24	-
Trade and other payables				
Subsidiaries	-	-	67.35	34.80
Related parties	0.17	3.75	0.08	3.74
Total	0.17	3.75	67.43	38.54
Other accrued expenses (included in other payables)				
Subsidiaries	-	-	3.66	0.91
Related parties	0.12	0.08	0.07	0.04
Total	0.12	0.08	3.73	0.95
Short-term borrowings				
Subsidiaries	-	-	1,259.00	677.00
Related parties	6.10	3.20	6.10	3.20
Total	6.10	3.20	1,265.10	680.20

UNIT : MILLION BAHT

Type of Balances	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Other current liabilities				
Subsidiaries	-	-	-	0.03
Related parties	0.59	-	0.59	-
Total	0.59	-	0.59	0.03
Other non-current liabilities – others				
Subsidiaries	-	-	0.58	0.55
Related parties	1.39	1.22	1.34	1.22
Total	1.39	1.22	1.92	1.77

As at October 31, 2015 and 2014, short-term loans to subsidiaries represented promissory notes receivable on demand, carrying interest rates at 2.00% – 3.64% per annum and 2.63% – 3.88% per annum, respectively.

As at October 31, 2015, long-term loans to subsidiaries represented loans with maturity date within 2018 and 2020 carrying the interest rate at 2.03% – 3.73% per annum.

As at October 31, 2015 and 2014, short-term borrowings from related parties represented promissory notes payable on demand, carrying the interest rate at 2.00% – 3.64% per annum and 1.25% – 2.55% per annum, respectively.

5.2 Significant transactions with related parties for the years ended October 31, are as follows:

UNIT : MILLION BAHT

Type of Balances	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Revenues from sales and services				
Subsidiaries	-	-	3,093.21	3,117.28
Related parties	48.72	94.19	26.93	-
Total	48.72	94.19	3,120.14	3,117.28
Cost of sales and services				
Subsidiaries	-	-	2,127.87	2,298.86
Related parties	1.21	8.39	-	6.42
Total	1.21	8.39	2,127.87	2,305.28
Other income				
Subsidiaries	-	-	1,246.24	118.81
Related parties	6.13	6.40	5.01	3.96
Total	6.13	6.40	1,251.25	122.77
Selling expenses				
Subsidiaries	-	-	23.63	17.56
Administrative expenses				
Subsidiaries	-	-	1.65	1.77
Related parties	26.95	25.08	16.28	13.85
Total	26.95	25.08	17.93	15.62
Financial costs				
Subsidiaries	-	-	19.81	23.57
Related parties	0.17	-	0.17	-
Total	0.17	-	19.98	23.57

POLICIES OF INTER-PRICE SETTING

- The inter-purchases/sales of raw sugar transactions among the Group are based on the world market prices.
- In case of the sugar purchases/sales agreements entered into on behalf of the Group, which each company has already been allocated the sales volume, if any company within the Group has no sufficient volume of sugar to sell, the purchases of sugar can be made within the group companies at the same price as stipulated in such sugar purchases/sales agreements.
- The prices for other inter-purchases/sales of goods (except for sugar products) are in accordance with the prices stipulated in the mutually agreed contracts, which are higher than costs.
- The prices for the inter-purchases/sales of assets are in accordance with the agreed prices by counter parties, which are higher than costs.
- Revenues from sales of supplies are in accordance with the agreed prices by counter parties, which are higher than cost.
- Revenues from land leased to a subsidiary are charged according to the lease agreement which term is 30 years, commencing from January 25, 2005 until January 24, 2035 at annual rent of Baht 0.11 million, and will be increased by 10% for every 3 years. Once the lease is expired, ownership rights on all constructions built on the leased land will be vested to the lessor.
- Rental income from land structure and machines which lease terms range from 1 to 3 years are in accordance with the mutually agreed prices.
- Inter-service income, other incomes and expenses are charged according to the normal price charged to general clients.
- Fees for goods custody are charged according to the volume of the goods and the custody period at general market rates.
- Expenses paid on behalf of each other are charged at actual.

5.3 Relationship of related parties other than subsidiaries and associate consisted of:

Company Name	Relationship	Connection
K.S.L. IT Center Co., Ltd.	Related party	Same group of shareholder and Mutual directors
Raja Ceramics Co., Ltd.	Related party	Same group of shareholder
On Nuj Construction Co., Ltd.	Related party	Same group of shareholder and Mutual directors
K.K. Wood Industry Co., Ltd.	Related party	Same group of shareholders
Amarco Co., Ltd.	Related party	Same group of shareholders
Thai Fermentation Industry Co., Ltd.	Related party	Same group of shareholders
Rajburi Sugar Co., Ltd.	Related party	Mutual directors in subsidiary
Mitr Kaset Industry Co., Ltd.	Related party	Mutual directors in subsidiary
Mitr Kaset Uthaithani Co., Ltd.	Related party	Mutual directors in subsidiary
KSL Tower Juristic Person office	Related Juristic Person	Shared owner of office building

All of the aforementioned related entities are incorporated in Thailand.

Prachaup Industry Co., Ltd. holds no part in management of the Company, but is a related company, where certain directors of Prachaup Industry Co., Ltd. are also directors of Thai Sugar Terminal Public Company Limited and K.S.L. Export Trading Co., Ltd., which are subsidiaries of Khon Kaen Sugar Industry Public Company Limited.

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at October 31, consisted of:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Trade receivables	1,225,674	1,656,881	652,451	840,260
Farmer receivables	332,715	322,652	193,882	206,389
Receivables from the Office of the Cane and Sugar Fund	652,138	-	383,350	-
Other receivables	34,483	24,225	19,967	46,702
Prepaid expenses	37,025	45,247	9,128	19,947
Advance payment	21,437	54,971	5,793	8,066
Accrued dividend receivable from subsidiaries	-	-	1,083,236	1,299,751
Accrued income	62,191	78,199	48,008	16,732
Total trade and other receivables	2,365,663	2,182,175	2,395,815	2,437,847

6.1 Trade receivables as at October 31, consisted of:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Related parties	21,238	10,173	196,419	136,860
Others	1,222,837	1,672,878	456,032	703,400
Total	1,244,075	1,683,051	652,451	840,260
<u>Less</u> Allowance for doubtful accounts	(18,401)	(26,170)	-	-
Total trade receivables	1,225,674	1,656,881	652,451	840,260

Aging analyzes for trade receivables as at October 31, are as follows:

6.1.1 Trade receivables - related parties

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Domestic trade receivables				
Not yet due	15,172	9,031	190,623	128,846
Overdue not over 3 months	6,066	1,142	5,796	8,014
Total	21,238	10,173	196,419	136,860

The normal credit terms granted to the related parties of the Company and subsidiaries range from 7 days to 90 days.

6.1.2 Trade receivables – others

UNIT : THOUSAND BAHT

	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Business are to manufacture and distribute sugar and molasses				
Domestic trade receivables				
Not yet due	152,848	204,362	57,141	37,750
Overdue not over 3 months	64,477	93,823	31,913	22,918
Overdue over 3 months but not over 6 months	-	892	-	-
Overdue over 9 months but not over 12 months	80	-	-	-
Overdue over 12 months	1,333	93	-	-
Total	218,738	299,170	89,054	60,668
Foreign trade receivables				
Not yet due	550,410	844,926	358,562	642,732
Overdue not over 3 months	8,416	-	8,416	-
Total	558,826	844,926	366,978	642,732
Total of business are to manufacture and distribute sugar and molasses	777,564	1,144,096	456,032	703,400
Manufacture and distribution of alcohol and electricity				
Domestic trade receivables				
Not yet due	146,896	276,728	-	-
Overdue not over 3 months	54,206	24,361	-	-
Total of business of manufacturing and distributing of alcohol and electricity	201,102	301,089	-	-
Other business				
Domestic trade receivables				
Not yet due	145,020	125,839	-	-
Overdue not over 3 months	75,683	65,046	-	-
Overdue over 3 months but not over 6 months	6,861	200	-	-
Overdue over 9 months but not over 12 months	1	-	-	-
Overdue over 12 months	16,606	36,608	-	-
Total other business	244,171	227,693	-	-
Total	1,222,837	1,672,878	456,032	703,400
Less Allowance for doubtful accounts	(18,401)	(26,170)	-	-
Total trade receivables – others	1,204,436	1,646,708	456,032	703,400

The normal credit terms granted by the customers of the Company and subsidiaries range from 5 days to 90 days.

6.2 Farmer receivables as at October 31, consisted of :

UNIT : THOUSAND BAHT

	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Cane receivables				
Before Season 2011/2012	19,930	21,908	3,534	4,461
Season 2011/2012	28,590	30,053	3,452	3,581
Season 2012/2013	28,583	32,849	6,774	7,505
Season 2013/2014	44,257	53,038	7,120	9,334
Season 2014/2015	66,293	-	15,586	-
Total cane receivables	187,653	137,848	36,466	24,881
Advance payment				
Season 2014/2015	-	183,275	-	182,959
Season 2015/2016	168,934	24,114	163,646	9,424
Total advance payment for purchases of cane	168,934	207,389	163,646	192,383
Receivables from fuel oil, fertilizer and other services	12,969	6,146	12,844	6,146
Total	369,556	351,383	212,956	223,410
Less Allowance for doubtful accounts	(36,841)	(28,731)	(19,074)	(17,021)
Total farmer receivables	332,715	322,652	193,882	206,389

6.3 Receivables from the Office of the Cane and Sugar Fund

For the harvest season 2014/2015, the estimated final cane price and final compensation for the production and distribution of sugar were less than the initial cane price. In accordance to the Cane and Sugar Act B.E.2527, Section 56 the Cane and Sugar Fund has to pay the compensation to the Company and its subsidiaries at the amount equal to the difference, but the cane farmers do not have to return the excess of the cane price received. As at October 31, 2015, Receivables from the Office of the Cane and Sugar Fund in the consolidated and separate financial statements consist of the excess of the initial cane prices, published in the Royal Gazette (see Note 17), which the Company and its subsidiaries paid to the farmers over the estimate made by the management by Baht 454.84 million and Baht 267.27 million, respectively, and the compensation for the Company and its subsidiaries calculated from the compensation for the production and distribution of sugar being less than the initial price by Baht 197.30 million and Baht 116.08 million, respectively.

7. SHORT-TERM LOANS

Short-term loans as at October 31, consisted of:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Short-term loans to subsidiaries	-	-	1,588,016	2,538,855
Short-term loans to others	-	120,000	-	120,000
Short-term loans to farmers	808,869	888,687	85,736	134,682
Current portion of short-term loans to others	60,000	-	60,000	-
Current portion of loans for cane plantation development	227,766	225,506	50,643	45,150
Total short-term loans	1,096,635	1,234,193	1,784,395	2,838,687

Short-term loans to farmers included in the consolidated and separate financial statements are post-dated checks, where the farmers discounted to the Company and its subsidiaries with the interest rates based on the lending rates of commercial banks.

8. INVENTORIES

Inventories as at October 31, consisted of:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Sugar and molasses	2,522,031	2,882,323	1,670,640	1,150,595
Alcohol and bio-fertilizer	318,219	464,016	-	-
Wheat flour	689,741	343,002	-	-
Polypropylene bags	23,881	11,913	-	-
Bagasse	49,888	128,367	-	-
Factory supplies	207,880	234,029	159,027	176,282
Machine maintenance supplies	467,485	469,405	393,951	402,543
	4,279,125	4,533,055	2,223,618	1,729,420
<u>Less</u> Allowance for obsolete goods and factory supplies	(6,129)	(6,129)	(6,129)	(6,129)
Allowance for diminution in value of inventories	(164,073)	(178,585)	(24,898)	(338)
Total inventories	4,108,923	4,348,341	2,192,591	1,722,953

Movements of allowance for diminution in value of inventories for the years ended October 31, are as follows :

UNIT : THOUSAND BAHT

	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Beginning balance	(178,585)	(84,733)	(338)	-
<u>Add</u> Increase during the years - recognized as cost of sales for the years	(112,013)	(178,585)	(24,898)	(338)
<u>Less</u> Reversal during the years	126,525	84,733	338	-
Ending balance	(164,073)	(178,585)	(24,898)	(338)

For the years ended October 31, 2015 and 2014, cost of inventories recognized as cost of sales in the consolidated financial statements were Baht 14,417.77 million and Baht 13,936.27 million, respectively, and in the separate financial statements were Baht 7,426.71 million and Baht 7,535.57 million, respectively.

9. INVESTMENTS IN AN ASSOCIATE AND SUBSIDIARIES

Investments in an associate and subsidiaries consisted of:

Consolidated Financial Statements

UNIT : THOUSAND BAHT

Company Name	Paid-up		Percentage of		As at October 31, 2015		As at October 31, 2014		Dividend For the year ended October 31,	
	Share Capital		Shareholding		Investment		Investment			
			%	%	Cost	Equity	Cost	Equity		
	2015	2014	2015	2014					2015	2014
<u>Associate</u>										
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	38,65	73,800	25,664	585	390
Total					73,800	38.65	73,800	25,664	585	390

Separate Financial Statements

UNIT : THOUSAND BAHT

Company Name	Paid-up		Percentage of		Investment Cost		Dividends	
	Share Capital		Shareholding		As at	As at	For the	
	2015	2014	2015	2014	October 31,	October 31,	year ended	
					October 31,	October 31,	October 31,	
	2015	2014	2015	2014	2015	2014	2015	2014
<u>Associate</u>								
Champion Fermentation Co., Ltd.	200,000	200,000	32.50	32.50	73,800	73,800	585	390
Total investment in an associate					73,800	73,800	585	390
<u>Subsidiaries</u>								
Thai Sugar Terminal Public Company Limited	145,200	145,200	23.82	23.82	81,967	81,967	17,292	8,300
New Krung Thai Sugar Factory Company Limited	1,000,000	1,000,000	95.78	95.78	834,394	834,394	-	-

UNIT : THOUSAND BAHT

Company Name	Paid-up Share Capital		Percentage of Shareholding % %		Investment Cost As at October 31, October 31,		Dividends For the year ended October 31,	
	2015	2014	2015	2014	2015	2014	2015	2014
<u>Subsidiaries</u>								
Tamaka Sugar Industry Co., Ltd.	600,000	600,000	90.21	90.21	523,337	523,337	108,257	324,772
New Kwang Soon Lee Sugar Factory Co., Ltd.	500,000	500,000	98.61	98.61	569,284	569,284	-	-
K.S.L. Real Estate Company Limited	840,000	840,000	40.77	40.77	319,134	319,134	-	-
K.S.L. Export Trading Co., Ltd.	20,000	20,000	33.88	33.88	6,775	6,775	678	1,355
KSL Material Supplys Co., Ltd.	10,000	10,000	100.00	100.00	9,119	9,119	-	-
Khon Kaen Sugar Power Plant Co., Ltd.	800,000	800,000	100.00	100.00	799,972	799,972	-	-
Khon Kaen Alcohol Co., Ltd.	610,000	610,000	100.00	100.00	609,986	609,986	914,978	914,978
KSL. Agro & Trading Co., Ltd.	300,000	300,000	100.00	100.00	300,000	300,000	60,000	60,000
Savannakhet Sugar Corporation*	684,757	684,757	98.49	98.49	674,178	674,178	-	-
Koh Kong Sugar Industry Co., Ltd.*	1,167,660	1,167,660	80.00	80.00	932,589	932,589	-	-
Wynn In Trading Co., Ltd.*	487,497	487,497	100.00	100.00	487,497	487,497	-	-
T S G Assets Co., Ltd.	50,000	50,000	4.11	4.11	2,061	2,061	-	-
T S Oil Industry Co., Ltd.	500,000	500,000	0.62	0.62	3,089	3,089	-	-
T S Flour Mill Public Co., Ltd.	399,000	285,000	0.07	0.07	313	196	16	20
T S Warehouse Co., Ltd.	12,500	12,500	4.02	4.02	509	509	-	-
T S Transport and Logistic Co., Ltd.	320,000	80,000	10.12	10.12	32,408	8,108	-	-
Total					6,186,612	6,162,195	1,101,221	1,309,425
Less Allowance for impairment of investments					(5,884)	(5,884)	-	-
Total investments in subsidiaries					6,180,728	6,156,311	1,101,221	1,309,425
Total investments in an associate and subsidiaries					6,254,528	6,230,111	1,101,806	1,309,815

- * These are foreign subsidiaries including Koh Kong Plantation Company Limited which the Company holds its shares indirectly through Wynn. In Trading Co., Ltd. at 80% as at October 31, 2015 and 2014. Furthermore, Koh Kong Plantation Company Limited has the condition to dissolve the Company if its loss exceed 75% of the registered share capital and could not solve the said loss within 1 year.

Movements in investments for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT

	Separate Financial Statements	
	2015	2014
Beginning balance	6,230,111	6,230,111
Additional investments		
T S Flour Mill Public Company Limited	117	-
T S Transport and logistics Co.,Ltd.	24,300	-
Ending balance	6,254,528	6,230,111

On August 27, 2015, the Extraordinary General Meeting of T S Flour Mill Public Company Limited, a subsidiary, passed a special resolution to increase its capital by Baht 114.00 million with the details as follows:

1. The newly issued ordinary shares not exceeding 57,000,000 shares at the par value of Baht 1, shall be allotted for the existing shareholders in proportion to their shareholding (the Right Offering), at an offering ratio of 5 existing ordinary shares to 1 new ordinary share, at the offering price of Baht 3 per share.
2. The newly issued ordinary shares not exceeding 57,000,000 shares, shall be allotted as shares reserved for the exercise of rights of the warrant TMILL-W1 at a ratio 1 new ordinary share to 1 unit of warrant. The rate for exercising the right is Baht 2 per share and the validity period of the warrant is 3 years from the date of issuance and offering such warrant.

In July 2015, T S Transport and Logistics Company Limited, a subsidiary, increased its authorized share capital to Baht 400.00 million and called for the first paid-up at Baht 75.00 per share.

10. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at October 31, consisted of:

UNIT : THOUSAND BAHT						
	Parentage of Shareholding		Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014	2015	2014
	%	%				
General Investments						
- Thai Cane and Sugar Co., Ltd.	3.93	3.93	787	787	323	323
- Thai Sugar Millers Co., Ltd.	7.36	7.36	8	8	2	2
- Mudman Co., Ltd.	9.46	9.46	350,000	350,000	350,000	350,000
- TISCO ESG Investment Fund for Society			20,000	-	20,000	-
Total			307,795	350,795	370,325	350,325
Marketable equity securities - Available-for-sale			2,068	4,496	-	-
<u>Less</u> Revaluation of fair value adjustment			(718)	(721)	-	-
Net			1,350	3,748	-	-
Held-to-maturity debt securities - government bonds			10,696	20,615	-	6,367
<u>Less</u> Amortization			(308)	(1,779)	-	(156)
Current portion			(6,817)	-	-	-
Net			3,571	18,836	-	6,211
Total other long-term investments			375,716	373,379	370,325	356,536

11. LONG-TERM LOANS

Long-term loans as at October 31, consisted of:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Long-term loans to subsidiaries	-	-	4,283,238	-
Long-term loans to others	120,000	-	120,000	-
Loans for cane plantation development	667,430	689,865	126,025	119,081
<u>Less</u> Current portion (included as part of short-term loans, see Note 7)	(287,766)	(225,506)	(110,643)	(45,150)
Total	499,664	464,359	4,418,620	73,931
<u>Less</u> Allowance for doubtful debts	(19,186)	(19,383)	(8,882)	(8,881)
Total long-term loans	480,478	444,976	4,409,738	65,050

As at October 31, 2015, long-term loans to others of Baht 120.00 million has a principal installment on every six months on the last working day of February and August of each year for 4 installments at Baht 30.00 million each. The first installment must be made in February 2016. The interest rate is 7.00% per annum. The interest is payable at the end of each month. Such loans are guaranteed by the shares and the land of two companies which the borrowers are the directors.

As at October 31, 2015 and 2014, loans for cane plantation development included in the consolidated and separate financial statements included loans to other personals and parties of Baht 28.24 million and Baht 32.00 million, respectively, for purchases of agricultural machineries for planting for one of the Company's overseas subsidiary for periods of 3 - 4 years and carrying interest rate at MLR+1.00%per annum. The principal and interest are payable annually. The Company has the ownership over the agricultural machineries purchased by the borrowers and, in the event of default of debt payments, the Company is able to sell such machineries back to the sellers.

As at October 31, 2015 and 2014, the remaining loans for cane plantation development were the subsidiaries' loans to farmers for the purpose to buy land for cane plantation, agricultural machineries and equipment of subsidiaries. The loan agreements were entered into for the periods of 1 - 8 years, or longer. Loans carry interest rates of 5.50 - 8.50% per annum, which the farmers mostly use land and vehicles as collateral.

12. DEFERRED CANE PLANTATION COSTS

Movements of deferred cane plantation costs for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Beginning book value - net	542,707	479,509	41,480	39,714
Additional costs during the years				
- Costs of cane plantation	284,556	287,478	21,790	33,091
- Transfers of depreciation	33,189	41,753	148	2,991
Accumulated cost of cane planted	860,452	808,740	63,418	75,796
- Amortization of cane plantation costs during the year	(357,006)	(272,980)	(38,363)	(34,316)
Ending book value	503,446	535,760	25,055	41,480
Reversal (loss) from impairment	(3,658)	376	-	-
Loss from damaged cane	(12,039)	(5,695)	(244)	-
Exchange differences on translating financial statements	30,177	12,266	-	-
Ending book value - net	517,926	542,707	24,811	41,480

The Company and its subsidiaries recorded deferred cane plantation costs at cost less accumulated amortization and allowance for impairment because the cane plantation period is approximately 10 – 13 months and the fair value of cane fluctuates by the climate of plantation area which has an impact to the quantity and quality of cane products.

As at October 31, 2015 and 2014, certain deferred cane plantation costs of Baht 467.58 million and Baht 476.32 million, respectively, belong to two subsidiaries which grow cane plantation on lease land as follows:

- For the first subsidiary, amounting to Baht 157.85 million and Baht 158.72 million, respectively, represent costs of cane plantation on the land leased from the Government of the Lao People's Democratic Republic as referred to in Note 29.8.1.
- For the second subsidiary, amounting to Baht 309.72 million and Baht 317.60 million, respectively, represent costs of cane plantation on the land leased from the Government of the Kingdom of Cambodia as referred to in Note 29.8.2.

13. INVESTMENT PROPERTY

Movements of investment property for the years ended October 31, are as follows:

2015

UNIT : THOUSAND BAHT

	Land	Consolidated Financial Statements Land Improve- ment	Buildings and Warehouses	Construction in progress	Total	Separate Financial Statements Land	Buildings and Warehouses	Total
Cost :								
As at November 1, 2014	1,307,420	6,842	1,913,395	248	3,227,905	250,292	397,522	647,814
Reclassification	127,597	(252)	34,420	-	161,765	101,023	-	101,023
Transfer in	-	248	-	-	248	-	-	-
Transfer out	-	-	-	(248)	(248)	-	-	-
Purchases	1,300	4	4,681	-	5,985	-	-	-
Disposal	-	-	(857)	-	(857)	-	-	-
As at October 31, 2015	1,436,317	6,842	1,951,639	-	3,394,798	351,315	397,522	748,837
Accumulated depreciation :								
As at November 1, 2014	-	(3,939)	(322,234)	-	(326,173)	-	(237,742)	(237,742)
Depreciation for the year	-	(110)	(37,553)	-	(37,663)	-	(4,231)	(4,231)
Disposal	-	-	124	-	124	-	-	-
As at October 31, 2015	-	(4,049)	(359,663)	-	(363,712)	-	(241,973)	(241,973)
Allowance for impairment :								
As at November 1, 2014	(3,035)	-	(720)	-	(3,755)	(316)	-	(316)
Reclassification	(1,134)	-	-	-	(1,134)	(1,134)	-	(1,134)
As at October 31, 2015	(4,169)	-	(720)	-	(4,889)	(1,450)	-	(1,450)
Net book value :								
As at October 31, 2015	1,432,148	2,793	1,591,256	-	3,026,197	349,865	155,549	505,414
Fair value :								
As at October 31, 2015	1,846,428	2,793	1,890,863	-	3,740,084	500,241	484,470	984,711

	Consolidated Financial Statements					Separate Financial Statements		
	Land	Land Improve-ment	Buildings and Warehouses	Construction in progress	Total	Land	Buildings and Warehouses	Total
Cost :								
As at November 1, 2013	1,304,763	6,890	1,931,460	12,648	3,255,761	250,292	397,522	647,814
Adjustment and reclassification	(31,910)	-	(33,712)	-	(65,621)	-	-	-
Transfer in	-	-	12,648	-	(12,648)	-	-	-
Transfer out	-	-	-	(12,648)	(12,648)	-	-	-
Purchases	34,659	-	3,533	248	38,440	-	-	-
Disposal	(92)	(48)	(536)	-	(676)	-	-	-
As at October 31, 2014	1,307,420	6,842	1,913,394	248	3,227,904	250,292	397,522	647,814
Accumulated depreciation :								
As at November 1, 2013	-	(3,816)	(310,635)	-	(314,451)	-	(233,510)	(233,510)
Adjustment and reclassification	-	(13)	23,995	-	23,982	-	-	-
Depreciation for the year	-	(110)	(35,760)	-	(35,870)	-	(4,232)	(4,232)
Disposal	-	-	166	-	166	-	-	-
As at October 31, 2014	-	(3,939)	(322,234)	-	(326,173)	-	(237,742)	(237,742)
Allowance for impairment :								
As at November 1, 2013	(1,855)	-	(720)	-	(2,575)	-	-	-
Reclassification	(1,180)	-	-	-	(1,180)	(316)	-	(316)
As at October 31, 2014	(3,035)	-	(720)	-	(3,755)	(316)	-	(316)
Net book value :								
As at October 31, 2014	1,304,385	2,903	1,590,440	248	2,897,976	249,976	159,780	409,756
Fair value :								
As at October 31, 2014	1,617,837	3,074	1,840,264	-	3,461,175	382,794	484,470	867,264

For the years ended October 31, 2015 and 2014, the Company and its subsidiaries recognized rental income from investment property of Baht 196.00 million and Baht 106.72 million, respectively, in the consolidated statements of income, and of Baht 43.42 million and Baht 41.72 million, respectively, in the separate statements of income.

As at October 31, 2015 and 2014, a subsidiary has the assets for rent with the book value stated in the consolidated financial statements of Baht 293.20 million and Baht 300.49 million, respectively, pledged as collateral against credit facilities given by two commercial banks (see Note 19).

14. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended October 31, are as follows:

2015

UNIT : THOUSAND BAHT

	Consolidated Financial Statements							
	Land	Land Improve- ment	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor	Furniture and Office Equipment	Construction in Progress	Total
Cost :								
As at November 1, 2014	900,631	1,307,050	6,032,457	19,089,027	1,858,678	278,070	4,955,414	34,421,327
Adjustment and reclassification	(109,995)	3,644	(520,628)	503,781	405	12,547	(42,043)	(152,289)
Purchases	40,535	735	4,943	100,544	13,014	14,159	980,651	1,154,581
Disposals/written off	(4,786)	(680)	(2,100)	(1,952)	(4,923)	(8,354)	-	(22,795)
Transfer in (out)	-	133,508	1,392,235	3,135,395	17,763	3,886	(4,682,787)	-
Translation of financial statements differences	-	49,191	51,363	129,545	22,202	1,421	1,105	254,827
As at October 31, 2015	826,385	1,493,448	6,958,270	22,956,340	1,907,139	301,729	1,212,340	35,655,651
Accumulated depreciation :								
As at November 1, 2014	-	(346,284)	(1,292,078)	(6,565,830)	(972,607)	(201,790)	-	(9,378,589)
Adjustment and reclassification	-	728	152	7,842	-	(7,993)	-	729
Depreciation for the year	-	(36,015)	(173,710)	(902,172)	(98,185)	(31,094)	-	(1,241,176)
Disposals/written off	-	680	131	1,881	4,054	8,275	-	15,021
Translation of financial statements differences	-	(15,367)	(7,713)	(17,315)	(12,438)	(1,302)	-	(54,135)
As at October 31, 2015	-	(396,258)	(1,473,218)	(7,475,594)	(1,079,176)	(233,904)	-	(10,658,150)
Differences on revaluation of asset :								
As at November 1, 2014	2,064,041	-	-	-	-	-	-	2,064,041
Adjustment and reclassification	(66,105)	-	-	-	-	-	-	(66,105)
As at October 31, 2015	1,997,936	-	-	-	-	-	-	1,997,936
Allowance for impairment of assets :								
As at November 1, 2014	(12,164)	-	(6,865)	(200)	-	-	-	(19,229)
Adjustment and reclassification	(236)	-	-	-	-	-	-	(236)
As at October 31, 2015	(12,400)	-	(6,865)	(200)	-	-	-	(19,465)
Net book value :								
As at October 31, 2015	2,811,921	1,097,190	5,478,187	15,480,546	827,963	67,825	1,212,340	26,975,972

Consolidated Financial Statements								
	Land	Land Improve- ment	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in Progress	Total
Cost :								
As at November 1, 2013	815,030	1,093,795	5,124,337	14,608,529	1,742,513	264,846	7,716,964	31,366,014
Adjustment and reclassification	4,486	3,132	23,052	5,820	(1,511)	(4,596)	73,208	103,591
Purchases	81,935	2,649	22,043	89,596	109,847	15,829	2,569,630	2,891,529
Disposals/written off	(820)	(455)	(12,993)	(29,603)	(8,629)	(2,171)	-	(54,671)
Transfer in (out)	-	185,364	853,243	4,356,112	6,113	3,515	(5,404,347)	-
Translation of financial statements differences	-	22,565	22,775	58,573	10,345	647	(41)	114,864
As at October 31, 2014	900,631	1,307,050	6,032,457	19,089,027	1,858,678	278,070	4,955,414	34,421,327
Accumulated depreciation :								
As at November 1, 2013	-	(303,024)	(1,132,478)	(5,766,146)	(872,343)	(174,185)	-	(8,248,176)
Adjustment and reclassification	-	(120)	(23,799)	(1,566)	193	646	-	(24,646)
Depreciation for the year	-	(37,164)	(145,126)	(817,711)	(102,687)	(29,790)	-	(1,132,478)
Disposals/written off	-	441	12,435	26,447	7,720	2,084	-	49,127
Translation of financial statements differences	-	(6,417)	(3,110)	(6,854)	(5,490)	(545)	-	(22,416)
As at October 31, 2014	-	(346,284)	(1,292,078)	(6,565,830)	(972,607)	(201,790)	-	(9,378,589)
Differences on revaluation of assets :								
As at November 1, 2013	2,042,199	-	-	-	-	-	-	2,042,199
Adjustment and reclassification	21,842	-	-	-	-	-	-	21,842
As at October 31, 2014	2,064,041	-	-	-	-	-	-	2,064,041
Allowance for impairment of assets :								
As at November 1, 2013	(5,945)	-	(15,634)	(942)	-	-	-	(22,521)
Adjustment and reclassification	(6,219)	-	8,769	742	-	-	-	3,292
As at October 31, 2014	(12,164)	-	(6,865)	(200)	-	-	-	(19,229)
Net book value :								
As at October 31, 2014	2,952,508	960,766	4,733,514	12,522,997	886,071	76,280	4,955,414	27,087,550

Accumulated depreciation as at October 31,

2015

Thousand Baht 1,241,176

2014

Thousand Baht 1,132,478

	Separate Financial Statements							Total
	Land	Land Improve- ment	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in Progress	
Cost :								
As at November 1, 2014	378,586	198,572	1,281,555	5,138,303	608,838	112,141	2,425,673	10,143,668
Adjustment and reclassification	(1,968)	-	1,195	(825)	-	(370)	-	(1,968)
Purchases	25,330	-	-	44,953	1,249	4,082	184,573	260,187
Disposals/written off	(4,786)	-	(2,100)	-	(4,275)	(4,310)	-	(15,471)
Transfer in (out)	-	101,837	378,729	1,815,511	-	1,020	(2,297,097)	-
As at October 31, 2015	397,162	300,409	1,659,379	6,997,942	605,812	112,563	313,149	10,386,416
Accumulated depreciation :								
As at November 1, 2014	-	(20,708)	(308,568)	(2,293,556)	(315,346)	(75,972)	-	-(3,014,150)
Adjustment and reclassification	-	-	(1,195)	403	-	792	-	-
Depreciation for the year	-	(9,687)	(44,871)	(295,585)	(24,209)	(12,583)	-	(386,935)
Disposals/written off	-	-	131	-	4,275	4,296	-	8,702
As at October 31, 2015	-	(30,395)	(354,503)	(2,588,738)	(335,280)	(83,467)	-	-(3,392,383)
Differences on revaluation of assets :								
As at November 1, 2014	520,205	-	-	-	-	-	-	520,205
Adjustment and reclassification	(56,892)	-	-	-	-	-	-	(56,892)
As at October 31, 2015	463,313	-	-	-	-	-	-	463,313
Allowance for impairment of assets :								
As at November 1, 2014	(7,082)	-	-	-	-	-	-	(7,082)
Adjustment and reclassification	(237)	-	-	-	-	-	-	(237)
As at October 31, 2015	(7,319)	-	-	-	-	-	-	(7,319)
Net book value :								
As at October 31, 2015	853,156	270,014	1,304,876	4,409,204	270,532	29,096	313,149	7,450,027

	Separate Financial Statements							
	Land	Land Improve- ment	Buildings and Construction	Machinery and Equipment	Motor Vehicle and Labor Saving Tools	Furniture and Office Equipment	Construction in Progress	Total
Cost :								
As at November 1, 2013	378,505	36,038	710,756	2,950,485	602,605	103,642	4,139,186	8,921,217
Adjustment and reclassification	-	-	-	-	-	-	(16,000)	(16,000)
Purchases	29,503	834	16,258	28,017	6,233	7,946	1,179,862	1,268,653
Disposals/written off	(29,422)	-	(763)	-	-	(17)	-	(30,202)
Transfer in (out)	-	161,700	555,304	2,159,801	-	570	(2,877,375)	-
As at October 31, 2014	378,586	198,572	1,281,555	5,138,303	608,838	112,141	2,425,673	10,143,668
Accumulated depreciation :								
As at November 1, 2013	-	(14,099)	(277,956)	(2,058,518)	(290,989)	(63,950)	-	(2,705,512)
Depreciation for the year	-	(6,609)	(31,375)	(235,038)	(24,357)	(12,038)	-	(309,417)
Disposals/written off	-	-	763	-	-	16	-	779
As at October 31, 2014	-	(20,708)	(308,568)	(2,293,556)	(315,346)	(75,972)	-	(3,014,150)
Differences on revaluation of assets :								
As at November 1, 2013	532,786	-	-	-	-	-	-	532,786
Increase (decrease)	(12,581)	-	-	-	-	-	-	(12,581)
As at October 31, 2014	520,205	-	-	-	-	-	-	520,205
Allowance for impairment of assets :								
As at November 1, 2013	-	-	(8,769)	-	-	-	-	(8,769)
Adjustment and reclassification	(7,082)	-	8,769	-	-	-	-	1,687
As at October 31, 2014	(7,082)	-	-	-	-	-	-	(7,082)
Net book value :								
As at October 31, 2014	891,709	177,864	972,987	2,844,747	293,492	36,169	2,425,673	7,642,641
Accumulated depreciation as at October 31,								
2015							Thousand Baht	386,935
2014							Thousand Baht	309,417

For the years ended October 31, 2015 and 2014, the borrowing costs of Baht 8.98 million and Baht 15.79 million, respectively, in the consolidated financial statements, incurred from borrowings for the construction projects of the Company and its local subsidiaries are recorded as costs of construction in progress which are included in addition of assets.

As at October 31, 2015 and 2014, land together with structure and machineries at the book values of Baht 695.93 million and Baht 391.30 million, respectively, in the consolidated financial statements, were used as collateral for the short-term and long-term credit facilities with commercial banks (see Notes 16 and 29.6).

As at October 31, 2015 and 2014, buildings and structure, and building under construction of two oversea subsidiaries at book values of Baht 501.12 million and Baht 714.12 million, respectively, in the consolidated financial statements, are located on the concession land which the ownership will be transferred to the lessors when the agreements are expired (see Note 29.8.2).

As at October 31, 2015 and 2014, assets at cost amounts of Baht 3,833.36 million and Baht 3,075.70 million, respectively, in the consolidated financial statements, and of Baht 2,046.86 million and Baht 1,665.32 million, respectively, in the separate financial statements, were fully depreciated but still in use.

15. OTHER NON-CURRENT ASSETS

Other non-current assets as at October 31, consisted of:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Assets not yet used in operation	381,588	273,010	-	40,793
Other non-current assets	209,876	193,472	6,194	807
	591,464	466,482	6,194	41,600

As at October 31, 2015 and 2014, assets not yet used in operation of Baht 340.80 million and Baht 119.55 million, respectively, in the consolidated financial statements, and of Baht 40.79 million, in the separate financial statements are land held for business expansion in the future.

As at October 31, 2015 and 2014, a subsidiary had assets not yet used in operation of Baht 13.20 million, which are spare parts of machineries bidding from a non-related party which are outstanding from usage and sales. They are currently considered to be held for business expansion in the future.

16. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at October 31, consisted of:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Promissory notes	3,744,895	6,499,004	38,000	1,278,000
Trust receipts	147,846	150,492	-	-
Bills of exchange	897,002	1,393,777	897,002	1,393,777
Total	4,789,743	8,043,273	935,002	2,671,777

As at October 31, 2015 and 2014, borrowings from financial institutions include borrowings in the form of promissory notes with the maturity period ranging from 1 - 6 months. Part of the borrowing of Baht 1,765.00 million and Baht 1,765.00 million, respectively, are the borrowings denominated in US dollar from three commercial banks, by three subsidiaries, respectively, carrying interest rates between LIBOR+1.50% to 2% per annum and LIBOR+1.50% to 1.68% per annum, respectively. The remaining are borrowings denominated in Baht, carrying interest rates at 2.00 - 3.30% per annum and 1.63 - 3.58% per annum, respectively.

As at October 31, 2015 and 2014, trust receipts in the consolidated financial statements represent the borrowings denominated in Baht, carrying interest rates at 2.85 – 3.00% per annum and 2.85 – 3.00% per annum, respectively.

As at October 31, 2015 and 2014, bills of exchange in the consolidated and the separate financial statements represent the borrowings denominated in Baht, carrying interest rates at 1.82% per annum and 2.65 – 2.75% per annum, respectively.

Borrowings from financial institutions are secured by land with structure, machineries, leasehold right of leased land where the plant is located, and guarantees by the Company and its subsidiaries. Long-term borrowings utilized the joint collaterals with the credit lines of long-term borrowings as mentioned in Note 19.

17. TRADE AND OTHER PAYABLES

Trade and other payables as at October 31, consisted of:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Trade payables – related parties	–	–	10,394	23,576
Trade payable – others				
– Payables for cane purchases	132,146	752,972	27,977	223,109
– Other trade payables	302,377	263,917	30,181	30,485
Advances received for sales of goods	45,061	98,892	58,746	62,709
Accrued fees payable to the Office of the Cane and Sugar Fund	53,410	101,198	11,746	24,518
Accrued stabilization function payment to the Office of the Cane and Sugar Fund	53,363	62,868	28,175	27,458
Other accrued expenses	269,262	374,345	156,991	171,671
Payables on purchases of assets	239,331	389,912	51,351	107,198
Other payables	377,836	336,147	320,416	300,578
Total trade and other payables	1,472,786	2,380,251	695,977	971,302

As at October 31, 2015, the Company and its three subsidiaries purchased canes for the production season 2014/2015 using the initial cane price for production season 2014/2015 announced by the Cane and Sugar Board's in the Royal Gazette dated January 9, 2015. The price is Baht 900.00 per cane ton with sweetness level at 10 c.c.s. and fluctuating cane price per one c.c.s. is fixed at Baht 57.00 per cane ton. Until the date the Company's Board of Directors approved the issuance of these financial statements, the Office of Cane and Sugar Board has not yet announced a final cane price for the production season 2014/2015. Therefore, the Company and its subsidiaries recorded accounts payable – cane purchases and calculated cost of goods sold and inventories for the year ended October 31, 2015 from the estimate made by the management of the Company and its subsidiaries at cane price of Baht 847.31 – 860.64 per ton with average sweetness level at 10.89 – 12.70 c.c.s.

18. LONG-TERM DEBENTURES

Long-term debentures as at October 31, consisted of:

UNIT : THOUSAND BAHT

	Consolidated Financial Statements/ Separate Financial Statements	
	2015	2014
Unsecured senior debt debentures	10,989,160	7,492,742
<u>Less</u> Current portion	(999,909)	(1,499,889)
Net	9,989,251	5,992,853

The Company issued Thai Baht currency debentures which are holder specified, non-subordinated and unsecured bonds at par value of Baht 1,000 per unit to a limited number of investors, with the following details:

UNIT : THOUSAND BAHT

Consolidated Financial Statements/Separate Financial Statements as at October 31, 2015									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate per annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
1.	KSL15DA	3 years	December 4, 2015	3.87	1,000,000	1,000,000	91	999,909	1,001,978
2.	KSL172A	3 years	February 27, 2017	3.84	1,000,000	1,000,000	566	999,434	1,025,344
3.	KSL174A	3 years	April 30, 2017	3.63	1,000,000	1,000,000	780	999,220	1,025,262
4.	KSL175A	3 years	May 16, 2017	3.60	1,000,000	1,000,000	651	999,349	1,024,570
5.	KSL185A	3 years	June 5, 2018	2.88	2,000,000	2,000,000	2,318	1,997,682	2,024,829
6.	KSL189A	3 years	September 25, 2018	2.50	1,000,000	1,000,000	1,477	998,523	1,003,138
7.	KSL198A	5 years	August 5, 2019	4.25	1,000,000	1,000,000	1,246	998,754	1,052,950
8.	KSL199A	5 years	August 5, 2019	4.07	1,000,000	1,000,000	1,250	998,750	1,047,394
9.	KSL203A	5 years	March 13, 2020	3.48	2,000,000	2,000,000	2,461	1,997,539	2,041,477
Total long-term debentures					11,000,000	11,000,000	10,840	10,989,160	11,246,942

UNIT : THOUSAND BAHT

Consolidated Financial Statements/Separate Financial Statements as at October 31, 2014									
Bond Set No.	Symbol	Term	Maturity Date	Interest Rate per annum	Number of Units Issued	Total Value	Deferred debenture issuance cost	Net	Fair Value
1.	KSL14DA	3 years	December 16, 2014	4.05	1,500,000	1,500,000	111	1,499,889	1,503,137
2.	KSL15DA	3 years	December 4, 2015	3.87	1,000,000	1,000,000	703	999,297	1,012,417
3.	KSL172A	3 years	February 27, 2017	3.84	1,000,000	1,000,000	992	999,008	1,015,818
4.	KSL174A	3 years	April 30, 2017	3.63	1,000,000	1,000,000	1,194	998,806	1,011,711
5.	KSL175A	3 years	May 16, 2017	3.60	1,000,000	1,000,000	1,172	998,828	1,008,299
6.	KSL198A	5 years	August 5, 2019	4.25	1,000,000	1,000,000	1,537	998,463	1,021,016
7.	KSL199A	5 years	August 5, 2019	4.07	1,000,000	1,000,000	1,549	998,451	1,014,096
Total long-term debentures					7,500,000	7,500,000	7,258	7,492,742	7,586,494

Movements of long-term debentures in the consolidated financial statements and separate financial statements for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT		
	2015	2014
Beginning book value	7,492,742	2,497,644
Debentures issuance during the years	5,000,000	4,992,611
Redemptions during the years	(1,500,000)	-
Amortized debenture issuance cost	(3,582)	2,487
Ending book value	10,989,160	7,492,742

Other significant compliance to the covenants of the debenture issuances are as follows:

- The Company shall maintain the debts with interest to equity in the consolidated financial statements as of October 31 every year ratio not exceed 2 : 1 the entire term.

As at October 31, 2015 and 2014, the debts with interest to equity ratio is 1.45 : 1.00 and 1.48 : 1.00, respectively.

- In case the credit rating of the debentures is lower than the current Company's rating at that time, the Company shall pledge assets as collateral for the debenture holders or proceed to correct the credit rating of the debentures to be at the same level or better than the credit rating of the Company.

19. LONG-TERM BORROWINGS

Long-term borrowings as at October 31, consisted of long-term borrowings from financial institutions as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Borrowings - Baht currency	6,639,643	6,286,861	3,565,500	2,471,333
Borrowings - Foreign currency	-	197,907	-	-
Total	6,639,643	6,484,768	3,565,500	2,471,333
<u>Less</u> Current portion	(1,693,253)	(2,207,754)	(705,833)	(705,833)
Long-term borrowings	4,946,390	4,277,014	2,859,667	1,765,500

Movements of long-term borrowings for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Beginning book value	6,484,768	7,112,548	2,471,333	3,327,166
Additional borrowings during the years	3,860,936	2,487,398	2,500,000	-
Repayment during the years	(3,724,865)	(3,123,853)	(1,405,833)	(855,833)
Exchange differences on translating financial statements	18,804	8,675	-	-
Ending book value	6,639,643	6,484,768	3,565,500	2,471,333

The interest rates of long-term borrowings as at October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015 %	2014 %	2015 %	2014 %
Borrowings – Baht currency	2.00 – 5.13	2.00 – 5.25	2.00 – 4.50	2.00 – 4.50
Borrowings – Foreign currency	2.03 – 2.93	2.32 – 2.33	-	-

Maturity of long-term borrowings were as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Within 1 year	1,693,253	2,207,754	705,833	705,833
Over 1 year and within 5 years	4,946,390	4,277,014	2,859,667	1,765,500

UNIT : THOUSAND BAHT							
Credit Limit	Balances At as October 31, 2015 2014 Thousand Baht Thousand Baht		Interest rate %	Principal repayment	Interest payment	Commencing repayment	Maturity
The company							
1. Baht 1,000 million	400,000	600,000	AMLR – Fixed rate	Semi-annual	Monthly	January 2013	July 2018
2. Baht 2,500 million	1,650,000	1,850,000	AMLR – Fixed rate	Semi-annual	Monthly	May 2013	March 2019
3. Baht 1,500 million	700,000	-	AMLR – Fixed rate	Semi-annual	Quarterly	May 2015	November 2019
4. Baht 1,000 million	800,000	-	AMLR – Fixed rate	Semi-annual	Monthly	April 2015	October 2019
5. Baht 11.30 million	4,000	6,000	Fixed rate	Annual	Monthly	June 2012	June 2017
6. Baht 23 million	11,500	15,333	Fixed rate	Annual	Annual	June 2013	June 2019
Total	3,565,500	2,471,333					
The subsidiaries							
7. Baht 800 million	400,000	600,000	AMLR – Fixed rate	Semi-annual	Monthly	February 2014	February 2019
8. Baht 2,000 million	-	700,000	AMLR – Fixed rate	Semi-annual	Monthly	December 2011	June 2016
9. Baht 1,000 million	800,000	-	Fixed rate	Semi-annual	Monthly	April 2015	October 2019
10. Baht 1,000 million	600,000	800,000	AMLR – Fixed rate	Semi-annual	Monthly	March 2012	June 2018
11. Baht 1,000 million	-	400,000	AMLR – Fixed rate	Semi-annual	Monthly	December 2013	September 2016
12. Baht 1,000 million	652,000	852,000	AMLR – Fixed rate	Semi-annual	Monthly	August 2014	February 2019
13. Baht 175 million	32,500	80,000	AMLR – Fixed rate	Semi-annual	Monthly	December 2012	December 2016
14. Baht 200 million	160,000	79,800	AMLR – Fixed rate	Semi-annual	Monthly	December 2014	December 2019
15. Baht 50 million	20,950	30,910	AMLR – Fixed rate	Monthly	Monthly	November 2012	November 2017
16. Baht 550 million	347,133	255,598	AMLR – Fixed rate	Quarterly	Monthly	December 2014	March 2020
17. Baht 380 million	50,000	-	AMLR – Fixed rate	Semi-annual	Monthly	September 2017	March 2022
18. USD 5 million	-	14,631	LIBOR+2	Semi-annual	Quarterly	March 2011	March 2016
19. USD 5 million	-	14,631	LIBOR+2	Semi-annual	Quarterly	March 2011	March 2016
20. USD 30 million	-	168,645	LIBOR+2	Semi-annual	Quarterly	June 2011	March 2016
21. Baht 33.90 million	11,560	17,220	Fixed rate	Annual	Annual	June 2012	June 2017
Total	3,074,143	4,013,435					
Grand Total	6,639,643	6,484,768					

* AMLR is the average MLR of 4 large financial institutions

In the consolidated and separate financial statements as at October 31, 2015 and 2014, most of the borrowings are guaranteed by the Company and its subsidiaries. The subsidiaries insured certain structure and machines with transferring beneficial right to lenders, the commercial banks. The thirteenth to the seventeenth credit lines are secured by land with structure included in investment property of the subsidiaries (see Notes 13 and 14). The fifth, sixth and twentieth credit lines are purchases of agricultural equipment with secured by the executive directors of the Company and guaranteed cheques.

In addition, the Company and its subsidiaries have to abide to certain financial conditions, such as maintaining of debt with interest-to-equity ratio, the shareholding ratio in subsidiaries, debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital and restriction on dividend payment of subsidiaries, etc.

20. INCOME TAX EXPENSE (INCOME), DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

20.1 Income tax expense (income)

Income tax expense (income) for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
<u>Current income tax</u>				
Current income tax expense	211,854	188,297	-	545
<u>Deferred income tax</u>				
Deferred income tax income and temporary differences	(119,155)	(79,077)	(62,024)	(18,187)
Total	92,699	109,220	(62,024)	(17,642)

Reconciliation of income tax and the results of the accounting profit multiplied by the income tax rate for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Profit before income tax expense (income)				
- Promoted sector-exempted from income tax	488,328	1,224,383	-	-
- Non-promoted sector	553,883	670,235	758,134	1,171,974
Total profit before income tax expense (income)	1,042,211	1,894,618	758,134	1,171,974
Statutory tax rates (%)	20	20	20	20
Income tax expense				
- Non-promoted sector	110,776	134,047	151,627	234,395
Total income tax	110,776	134,047	151,627	234,395
Effect on income tax from non-deductible taxable expense and exempted taxable income	102,738	46,551	(151,788)	(233,850)
	213,514	180,598	(161)	545
Prior year income tax expense (income)	(1,660)	7,699	161	-
Deferred income tax income	(119,155)	(79,077)	(62,064)	(18,187)
Income tax expense (income)	92,699	109,220	(62,064)	(17,642)

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax was reduced from 30% to 20% of net profit for accounting periods beginning on or after January 1, 2013 but not later than December 31, 2014, and according to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, to extend the reduced corporate income tax at 20% of net profit for accounting period beginning on or after January 1, 2015 but not later than December 31, 2015.

Deferred tax assets and liabilities of the Company and its subsidiaries in Thailand as at October 31, 2015 and 2014, are determined using corporate income tax rate that has been changed in accordance with the above Royal Decrees.

20.2 Deferred tax assets – net as at October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Deferred tax assets – net				
Employee benefit obligations	8,619	1,257	-	-
Loss carried forward	50,160	76	-	-
Depreciation	4,803	(228)	-	-
Allowance for diminution in value of inventories	14,080	14,915	-	-
Gain on asset revaluation	(65,228)	(10,707)	-	-
Allowance for doubtful accounts	3,726	-	-	-
Others	1,342	436	-	-
Deferred tax assets – net	17,502	5,749	-	-

The movements of deferred tax assets during the years ended October 31, are as follows:

UNIT : THOUSAND BAHT					
2015	Consolidated Financial Statements				As at October 31, 2015
	As at November 1, 2014	Items as recognized in profit loss	Items as recognized in other comprehensive income	Items as recognized in shareholders' equity directly	
Deferred tax assets – net					
Employee benefit obligations	1,257	6,749	613	-	8,619
Loss carried forward	76	50,084	-	-	50,160
Depreciation	(228)	5,031	-	-	4,803
Allowance for diminution in value of inventories	14,915	(835)	-	-	14,080
Gain on asset revaluation	(10,707)	(54,521)	-	-	(65,228)
Allowance for doubtful accounts	-	3,726	-	-	3,726
Others	436	906	-	-	1,342
Deferred tax assets – net	5,749	11,140	613	-	17,502

2014	Consolidated Financial Statements				As at October 31, 2014
	As at November 1, 2013	Items as recognized in profit loss	Items as recognized in other comprehensive income	Items as recognized in shareholders' equity directly	
Deferred tax assets - net					
Employee benefit obligations	354	499	404	-	1,257
Loss carried forward	-	76	-	-	76
Depreciation	-	(228)	-	-	(228)
Allowance for diminution in value of inventories	-	14,915	-	-	14,915
Gain on asset revaluation	-	-	(10,707)	-	(10,707)
Others	-	436	-	-	436
Deferred tax assets - net	354	15,698	(10,303)	-	5,749

Unrecognized deferred tax assets foreign subsidiaries as at October 31, are as follows:

	Consolidated Financial Statements	
	2015	2014
The following deferred tax assets have not been recognized		
Temporary differences	(27,480)	(15,877)
Loss carried forward	133,019	89,212
	105,539	73,335

As at October 31, 2015, loss carried forward of Baht 133.02 million consisted of taxable loss of Baht 61.09 million expiring in the year 2017 and Baht 71.93 million expiring in the year 2020. As at October 31, 2014, loss carried forward of Baht 89.21 million consisted of taxable loss of Baht 61.09 million expiring in the year 2017 and Baht 28.12 million expiring in the year 2020.

20.3 Deferred tax liabilities - net as at October 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Deferred tax liabilities - net				
Allowance for doubtful accounts	(11,244)	(21,895)	(5,591)	(5,180)
Allowance for diminution in value of inventories	(18,073)	(13,128)	(4,980)	-
Allowance for impairment in other long-term investments	(1,177)	(1,180)	(1,177)	(1,177)
Employee benefit obligations	(39,154)	(44,838)	(18,355)	(18,730)
Gain on asset revaluation	382,266	436,787	129,370	129,370
Loss carried forward	(185,458)	(62,888)	(89,775)	(19,237)
Depreciation	141,223	87,925	(3,525)	(13,276)
Others	(4,553)	(8,358)	414	(1,593)
Deferred tax liabilities - net	263,830	372,425	6,381	70,177

The movements of deferred tax liabilities for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT

2015	Consolidated Financial Statements			As at October 31, 2015
	As at November 1, 2014	Items as recognized in profit loss	Items as recognized in other comprehensive income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(21,895)	10,651	-	(11,244)
Allowance for diminution in value of inventories	(13,128)	(4,003)	(942)	(18,073)
Allowance for impairment in other long-term investments	(1,180)	3	-	(1,177)
Employee benefit obligations	(44,838)	8,374	(2,690)	(39,154)
Gain on asset revaluation	436,787	(54,521)	-	382,266
Loss carried forward	(62,888)	(116,759)	(5,811)	(185,458)
Depreciation	87,925	44,429	8,869	141,223
Others	(8,358)	3,805	-	(4,553)
Deferred tax liabilities - net	372,425	(108,021)	(574)	263,830

UNIT : THOUSAND BAHT

2014	Consolidated Financial Statements			As at October 31, 2014
	As at November 1, 2013	Items as recognized in profit loss	Items as recognized in other comprehensive income	
Deferred tax liabilities - net				
Allowance for doubtful accounts	(30,933)	9,076	(38)	(21,895)
Allowance for diminution in value of inventories	(6,292)	(6,836)	-	(13,128)
Allowance for impairment in other long-term investments	(1,609)	429	-	(1,180)
Employee benefit obligations	(35,559)	556	(9,835)	(44,838)
Gain on asset revaluation	441,705	-	(4,918)	436,787
Loss carried forward	(4,147)	(58,410)	(331)	(62,888)
Depreciation	95,548	(10,955)	3,332	87,925
Others	(10,975)	2,761	(144)	(8,358)
Deferred tax liabilities - net	447,738	(63,379)	(11,934)	372,425

2015	Separate Financial Statements			As at October 31, 2015
	As at November 1, 2014	Items as recognized in profit loss	Items as recognized in other comprehensive income	
Deferred tax liabilities – net				
Allowance for doubtful accounts	(5,180)	(411)	-	(5,591)
Allowance for diminution in value of inventories	-	(4,980)	-	(4,980)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(18,730)	2,107	(1,732)	(18,355)
Gain on asset revaluation	129,370	-	-	129,370
Loss carried forward	(19,237)	(70,538)	-	(89,775)
Depreciation	(13,276)	9,751	-	(3,525)
Others	(1,593)	2,007	-	414
Deferred tax liabilities – net	70,177	(62,064)	(1,732)	6,381

2014	Separate Financial Statements			As at October 31, 2014
	As at November 1, 2013	Items as recognized in profit or loss	Items as recognized in other comprehensive income	
Deferred tax liabilities – net				
Allowance for doubtful accounts	(4,982)	(198)	-	(5,180)
Allowance for impairment in other long-term investments	(1,177)	-	-	(1,177)
Employee benefit obligations	(14,692)	(648)	(3,390)	(18,730)
Gain on asset revaluation	131,887	-	(2,517)	129,370
Loss carried forward	-	(19,237)	-	(19,237)
Depreciation	(14,990)	1,714	-	(13,276)
Others	(1,775)	182	-	(1,593)
Deferred tax liabilities – net	94,271	(18,187)	(5,907)	70,177

21. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiaries operate retirement benefit plans under the Thai Labor Protection Act and the Company and its subsidiaries' retirement rules, which are considered as unfunded defined benefit plans.

Amount recognized in the statement of income in respect of these defined benefit plans for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Current service cost	11,396	4,091	4,032	1,365
Interest cost	9,458	3,100	3,941	1,259
Total	20,854	7,191	7,973	2,624

Movement in the present value of employee benefit obligations for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Employee benefit obligations brought forward	228,100	179,828	93,649	73,459
Current service cost	11,396	4,091	4,032	1,365
Interest cost	9,458	3,100	3,941	1,259
Actuarial loss on the estimation of the obligations	13,072	53,598	8,660	19,676
Benefit paid during the year	(25,473)	(12,517)	(18,508)	(2,110)
Employee benefit obligations carried forward	236,553	228,100	91,774	93,649

The significant actuarial assumptions used to provision for employee benefit obligations as at October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015 %	2014 %	2015 %	2014 %
Discount rate	3.12 – 4.12	3.49 – 4.23	3.79 – 3.82	4.07 – 4.08
Expected rate of salary increase	6.00	6.00	6.00	6.00
Voluntary resignation rate (Depended on employee's age)				
- Monthly employees	10.00 – 100.00	9.00 – 100.00	10.00 – 100.00	9.00 – 100.00
- Daily employees	2.00 – 100.00	4.00 – 60.00	12.00 – 54.00	16.00 – 60.00

22. SHARE CAPITAL

- 22.1 The Board of Directors' meeting No. 4/2014 dated September 26, 2014, passed the resolution to reduce its issued and paid-up shares with the treasury stocks of 34,100,000 shares at par value of Baht 1 per share, a totaling Baht 34.10 million. The Company registered the decrease in capital with the Ministry of Commerce on November 10, 2014. Therefore, the Company reversed reserve for treasury stocks of Baht 433.15 million accordingly.
- 22.2 The meeting of annual general shareholders for 2014 No. 1/2015 of the Company held on February 27, 2015, passed the following resolutions:
- 22.2.1 The reduction of registered capital from Baht 1,835,900,000 (1,835,900,000 ordinary shares at par value of Baht 1 each) to Baht 1,670,546,884 (1,670,546,884 ordinary shares par value of Baht 1 each). The Company registered the reduction in capital with the Ministry of Commerce on March 2, 2015.
- 22.2.2 The change of the registered par value from Baht 1.00 to Baht 0.50 provided that the registered ordinary shares changed from 1,670,546,884 shares to 3,341,093,768 shares. The Company registered such change with the Ministry of Commerce on March 3, 2015.
- 22.2.3 The appropriation of profit for dividend payment of year 2014 in form of cash at Baht 0.08 per share to 3,341 million shares, at the amount not over Baht 271 million, and in form of share at the ratio of 5 existing shares to 1 new dividend share at par value of Baht 0.50, totaling 668 million stock dividend at the value not over Baht 334.11 million, totaling dividend valuing Baht 0.10 per share including the payment of a cash dividend and a stock dividend of Baht 0.18 per share. The total dividend payment shall be at the value not over Baht 605.11 million, to the shareholders whose names are included in the shareholder register on March 17, 2015. The dividend payment shall be made on March 27, 2015. In addition, the profit in the amount of Baht 13.47 million is appropriated as legal reserve. The Company already paid dividends and appropriated legal reserve according to the resolution of the meeting.
- 22.2.4 The increases of registered capital and allocation such shares to support the stock dividends of 668,218,754 shares at par value of Baht 0.50 resulting in the change in the share capital of Baht 1,670,546,884 (3,341,093,768 ordinary shares at par value of Baht 0.50 each) to Baht 2,004,656,261 (4,009,312,522 ordinary shares at par value of Baht 0.50). The Company registered such change with the Ministry of Commerce on March 5, 2015.

23. DIVIDENDS PAID AND LEGAL RESERVE

The annual general meeting of shareholders of the Company passed a resolution to pay dividends as follows:

Dividends	Approved by	Number of shares Billion shares	Dividends Paid per share	Stock Dividends per share	Dividends Paid Million Baht	Dividends Paid Date
- Dividends paid from the Company's result of operations from November 1, 2013 to October 31, 2014	No. 1/2015 held on February 27, 2015 (see Note 22.2.3)	3.34	0.08	0.10	605.11	March 27, 2015
- Dividends paid from the Company's result of operations from November 1, 2012 to October 31, 2013	No. 1/2014 held on February 26, 2014	1.67	0.35	-	584.69	March 26, 2014

In accordance with the Public Limited Company Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until reserve reaches 10% of the authorized share capital and this reserve is not available for distribution as dividends.

In the second quarter of 2015, the Company appropriated the legal reserve of Baht 13.47 million (see Note 22.2.3).

As at October 31, 2015 and 2014, the Company's legal reserve reaches 10% of the Company's authorized share capital.

24. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses included the compensation paid to the directors of the Company and its subsidiaries in accordance to Section 90 of Public Company Act which do not include salaries and related benefits paid to the executive directors of the Company and its subsidiaries for the years ended October 31, are as follows:

UNIT : MILLION BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
For the years ended October 31,	19.96	20.50	8.92	9.38

25. CAPITAL MANAGEMENT

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern, to maintain an appropriate capital structure and to maintain the debt with interest-to-equity ratio not to exceed the covenants of the loan agreements (see Note 19).

As at October 31, debt with interest-to-equity and debt-to-equity ratios are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Debt with interest-to-equity	1.45 : 1.00	1.48 : 1.00	2.12 : 1.00	1.80 : 1.00
Debt-to-equity	1.59 : 1.00	1.71 : 1.00	2.22 : 1.00	1.96 : 1.00

26. EXPENSES BY NATURE

Significant expenses by nature for the years ended October 31, are as follows:

UNIT : THOUSAND BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Salaries, wages and other employee benefits	1,411,656	1,315,395	505,839	473,523
Depreciation	1,279,223	1,127,167	395,485	312,949
Fuel costs	156,703	232,857	852,444	362,039
Fees paid to the Office of the Cane and Sugar Fund	1,157,118	991,773	377,624	408,706
Maintenance expenses	698,809	577,723	230,683	185,884
Transportation expenses	661,038	768,270	359,241	337,987
Raw material and supply used	10,545,085	11,673,862	4,256,650	4,281,580
Purchase finished goods	39,238	103,002	1,645,174	2,060,899
Changes in finished goods and goods in process	519,902	(950,410)	(517,115)	(151,780)
Loss from bagasse damage	12,386	3,210	-	-
Loss for diminution on value of inventories (reversal)	(3,024)	93,664	24,560	338
Management benefit expenses	197,197	193,074	52,506	48,704
Finance costs	848,766	834,339	559,106	494,639
Other operating expenses	974,262	762,130	450,820	268,529
Total	18,498,359	17,726,056	9,193,017	9,083,997

27. BASIC EARNINGS PER SHARE

The changes in the par value of the Company's shares, as disclosed in Note 22, resulted in the changes in weighted average number of ordinary shares and earnings per share of the consolidated and separate financial statements for the years ended October 31, 2014. The Company retrospectively adjusted the number of shares used in calculation of earnings per share of prior period presented as comparison as if the change in the par value of the shares had taken place since the beginning of the earliest period presented.

The weighted average number of ordinary shares for the year ended October 31, 2014 from the change in par value of the shares is as follows:

	Previously Reported	"Restated"
Weighted average number of ordinary shares (shares)	1,670,546,884	3,341,093,768

Basic earnings per share is as follows:

	UNIT : BAHT PER SHARE			
	Consolidated Financial Statements		Separate Financial Statements	
	Previously Reported	"Restated"	Previously Reported	"Restated"
For the year ended October 31, 2014	0.973	0.487	0.712	0.356

28. DISCLOSURE OF SECTORIAL BUSINESS OPERATIONS

The Company and subsidiaries ("Group Company") presented the segment information in respect of the Group's business segments. The primary format in segment information report is based on the Group's management and internal reporting structure.

The Group comprises the following main business segments:

Manufacture and Distribution of Sugar and Molasses

Produce and distribute sugar and molasses to industrial enterprises, re-export manufacturing enterprises and international sugar traders.

Manufacture and Distribution of Alcohol

Produce and distribute alcohol to a domestic and overseas oil companies.

Manufacture and Sale of Electricity

Generate and sale electricity to Electricity Generating Authority of Thailand and the group companies.

Real Estate Rental

Operate office building for rent and holiday resort for training and seminar center.

Manufacture and Distribution of Wheat Flour

Produce and distribute wheat flour to industrial enterprises.

Geographical segments information is based on entity operating in the country and overseas. The overseas operations comprise Lao People's Democratic Republic and Kingdom of Cambodia.

Major Customer Information

For the years ended October 31, 2015 and 2014, the Group has revenue with a single external customer in electricity sector in the amount of Baht 1,011.26 million and Baht 1,140.84 million, respectively, of the Group's total revenue.

Details of the operating segments of the Group are as follows:

UNIT : MILLION BAHT

	Manufacture and Distribution of Sugar and Molasses				Manufacture and Distribution of Alcohol		Manufacture and Distribution of Electricity		Real Estate Rental		Wheat Flour		Others Business		Inter-Transaction		Total	
	2015		2014		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Thai	Overseas	Thai	Overseas	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai	Thai				
Consolidated Statements of Income																		
For the years ended October 31, 2015 and 2014																		
Net revenue from operation – external	13,037	353	13,211	282	2,510	2,391	1,013	1,141	478	436	1,059	1,039	416	685	-	-	18,866	19,185
Net revenue from operation – internal	6,048	117	5,787	143	-	-	1,981	1,353	51	65	16	17	1,320	1,324	(9,533)	(8,689)	-	-
Total	19,085	470	18,998	425	2,510	2,391	2,994	2,494	529	501	1,075	1,056	1,736	2,009	(9,533)	(8,689)	18,866	19,185
Profit (loss) from operations	3,892	(78)	4,300	41	633	721	943	1,194	375	333	185	180	138	88	(1,397)	(1,584)	4,691	5,273
Selling, administrative expenses and others																	(2,813)	(2,534)
Finance costs	(725)	(78)	(686)	(74)	(27)	(1)	(103)	(134)	(33)	(37)	(20)	(9)	(21)	(13)	158	120	(849)	(834)
Share of loss of investment in an associate																	13	(11)
Income tax expenses																	(93)	(109)
Net profit																	949	1,785
Add (less) (Profit) loss for the years of non-controlling interests																	(134)	(159)
Profit for the years attributable to the parent																	815	1,626
Interest income	231	8	180	8	12	4	-	-	-	-	-	-	10	1	(157)	(120)	104	73
Depreciation	701	86	632	95	53	59	316	256	33	38	81	66	31	38	(16)	(11)	1,285	1,173
Consolidated Statements of Financial Position																		
As at October 31, 2015 and 2014																		
Trade and other receivables	3,091	148	3,120	50	229	179	100	207	54	51	199	160	124	136	(1,579)	(1,721)	2,366	2,182
Inventories	2,119	388	2,534	287	201	353	43	128	-	-	715	356	667	705	(24)	(15)	4,109	4,348
Property, plant and equipment	13,632	3,368	14,039	3,233	1,033	939	6,686	6,852	1,028	864	893	731	821	961	(485)	(531)	26,976	27,088
Central assets	16,152	621	12,612	623	699	212	190	206	2,782	2,643	88	62	1,372	1,487	(15,179)	(11,329)	6,725	6,516
Total Assets	34,994	4,525	32,305	4,193	2,162	1,683	7,019	7,393	3,864	3,558	1,895	1,309	2,984	3,289	(17,267)	(13,596)	40,176	40,134
Total Liabilities	22,788	3,218	20,462	2,735	1,821	1,008	2,470	3,562	1,046	1,074	1,139	633	1,130	1,089	(8,924)	(5,262)	24,688	25,301

29. COMMITMENTS AND CONTINGENT LIABILITIES

As at October 31, 2015 and 2014, apart from liabilities presented in the statements of financial position, the Company and its subsidiaries have commitments and contingent liabilities as follows:

29.1 The Company and its subsidiaries have commitments relating to the sales agreements but not yet delivered in the consolidated financial statements amounting to Baht 3,316.88 million and Baht 3,516.85 million, respectively, and in the separate financial statements amounting to Baht 2,650.94 million and Baht 1,058.62 million, respectively.

29.2 The Company and three subsidiaries had issued post-dated checks to the farmers to purchase canes. The Company and the subsidiaries did not record such liabilities as the checks have not yet due and the cane has not been received from the farmers as at October 31, as follows:

UNIT : MILLION BAHT				
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
For the production season 2014/2015	-	1,142.68	-	241.92
For the production season 2015/2016	1,011.55	-	218.84	-

29.3 A subsidiary entered into two electricity sale-purchase agreements with the Electricity Generating Authority of Thailand (EGAT) as follows:

- Agreement dated February 21, 2005, EGAT agrees to buy electricity from the subsidiary at Namphong District, Khonkaen Province, for the period of 21 years commencing from the first month of electricity sales (December 2006) at the volume of 20 Megawatt at the voltage of 115 Kilovolts. For the second year until the year before last year, EGAT agrees to buy electricity at not less than 80% of the electricity volume stipulated in the agreement.

- Agreement dated January 12, 2010, EGAT agrees to buy electricity at the volume of 22 Megawatt at the voltage of 115 Kilovolts at Bo Ploy District, Kanchanaburi Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from April 1, 2011. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time. The subsidiary has pledged the letter of guarantee at the amount of Baht 4.40 million as collateral for the offer to sell the electricity. Subsequently, on June 2, 2014, EGAT agrees to buy additional electricity at the volume of 8 Megawatt totaling 30 Megawatt at the voltage of 115 Kilovolts, at the mutually-agreed price as stipulated in the agreement, for the period commencing from July 1, 2014 to November 2, 2018.

29.4 A subsidiary entered into an electricity sale-purchase agreement with the Electricity Generating Authority of Thailand (EGAT) on September 18, 2012, EGAT agrees to buy electricity at the volume of 2.12 Megawatt at the voltage of 22,000 volts at Wangsaphung District, Loei Province, at the mutually-agreed price as stipulated in the agreement for the period of 5 years commencing from November 20, 2012. And the postpone for sale electricity to December 27, 2014. Prior to the expiration of the contractual term, the subsidiary shall inform EGAT for the extension of the contractual term in writing at not less than 30 days prior to the expiry date of the agreement and the agreement shall be extended for the contractual term of 5 years at a time.

29.5 A subsidiary was granted the electricity generating business concession from the Ministry of Energy on October 1, 2005 in the area of 43 Moo 10, Tambol Namphong, Amphur Namphong, Khonkaen Province, for the period of 21 years. However, such subsidiary obtained a license for energy industry operation from the Energy Regulatory Commission (ERC) as a replacement when the Energy Industry Act B.E. 2550 was effective, for the period of 19 years ending in December 2028. The subsidiary has to comply with the Energy Industry Act B.E. 2550 and the conditions of the license.

29.6 The consolidated and separate financial statements have commitments, contingent liabilities and credit facilities as follows:

UNIT : MILLION

		Consolidated Financial Statements					
		As at October 31, 2015			As at October 31, 2014		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment							
of subsidiary for all contingent liabilities	THB	-	5,199.77	-	-	7,140.55	-
Contract to guarantee of debt repayment							
of subsidiary for all contingent liabilities	USD	-	27.15	-	-	48.25	-
Contingent Liabilities							
Letters of guarantees (unspecified credit limit)	THB	-	86.75	-	-	96.48	-
Notes acceptance	THB	30.00	-	30.00	30.00	-	30.00
Letters of credit and trust receipts	THB	2,432.15	472.12	1,960.03	2,281.51	222.97	2,058.54
Letters of credit	USD	16.85	-	16.85	23.35	3.02	20.33
Credit Facilities							
Overdraft and short-term borrowings	THB	21,426.20	2,436.45	18,989.75	21,657.13	5,017.60	16,639.53
Trust receipts payable	THB	147.85	147.85	-	150.49	150.49	-
Short-term borrowings	USD	56.00	26.14	29.86	50.50	30.53	19.97
Joint credit line in short-term borrowings	THB	1,490.00	160.00	1,330.00	2,860.87	1,563.55	1,297.32
Joint credit line in short-term borrowings	USD	20.00	6.00	14.00	20.00	10.00	10.00
Long-term borrowings	THB	7,073.31	6,639.64	433.67	6,701.46	6,286.86	414.60
Long-term borrowings	USD	-	-	-	6.09	6.09	-

		Separate Financial Statements					
		As at October 31, 2015			As at October 31, 2014		
	Currency	Total	Utilized	Remaining	Total	Utilized	Remaining
Commitments							
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	THB	-	2,508.97	-	-	3,788.55	-
Contract to guarantee of debt repayment of subsidiary for all contingent liabilities	USD	-	26.51	-	-	31.63	-
Contingent Liabilities							
Letters of guarantees (unspecified credit limit)	THB	-	4.13	-	-	1.33	-
Letters of credit and trust receipts	THB	30.00	-	30.00	30.00	-	30.00
Credit Facilities							
Overdraft and short-term borrowings	THB	9,120.20	38.00	9,082.20	7,752.13	1,278.00	6,474.13
Short-term borrowings	USD	10.50	-	10.50	10.50	-	10.50
Joint credit line in short-term borrowings	THB	1,490.00	160.00	1,330.00	2,860.87	1,563.55	1,297.32
Joint credit line in short-term borrowings	USD	20.00	6.00	14.00	20.00	10.00	10.00
Long-term borrowings	THB	3,565.50	3,565.50	-	2,471.33	2,471.33	-

As at October 31, 2015 and 2014, short-term borrowings from financial institutions carried interest rate at 1.83 – 3.30% per annum and 1.68 – 3.58% per annum, respectively.

The above credit facilities are partially secured by land with structure and machineries (see Note 14) and subsidiary's leasehold right for the land where the factory is located, the inter-guarantee between the Company and its subsidiaries, and transfer of benefits arisen from insurance policy for structure and machineries to the lenders. For certain credit facilities, if the facility is utilized, certain inventories of the Company and its subsidiaries will be used as collateral. As at October 31, 2015 and 2014, the Company and its subsidiaries did not use such credit facilities.

In addition, for joint commitments and long-term borrowings, the Company and its subsidiaries are required to be complied with certain financial conditions including maintaining the debt with interest-to-equity ratio, maintaining the shareholding ratio in subsidiary, maintaining the debt service coverage ratio, restriction on additional long-term debt creation, increase of the registered share capital, and restriction on dividend payment of subsidiaries, etc.

29.7 As at October 31, the commitments under the various contracts are as follows:

		Consolidated Financial Statements			
		2015		2014	
	Currency	Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	1,011.65	231.41	829.95	179.32
	USD	0.05	0.03	0.11	0.10
Machine and equipment purchase agreements	THB	415.24	56.76	664.16	156.40
	USD	19.81	14.42	33.77	18.89
Rental agreements	THB	34.66	18.25	28.48	7.82
Materials purchase agreements	USD	7.36	7.36	2.74	2.74

Separate Financial Statements					
	Currency	2015		2014	
		Contractual Amount	Outstanding Contractual Commitments	Contractual Amount	Outstanding Contractual Commitments
Construction and subcontract agreements	THB	665.24	107.15	666.72	118.19
Machine and equipment purchase agreements	THB	304.59	40.46	456.13	53.17
Rental agreements	THB	34.66	18.25	25.18	6.44

As at October 31, the commitments under rental agreements to be paid in the following years are as follows:

UNIT : MILLION BAHT		
Consolidated Financial Statements		
	2015	2014
Within one year	6.40	3.55
Over one year but less than 5 years	11.85	2.89
Total	18.25	6.44

29.8 Other significant agreements

- 29.8.1 On February 16, 2006, Savannakhet Sugar Corporation (subsidiary) made a contract to develop area in the Laos People's Democratic Republic with the Government of that country to be used for the subsidiary's office, factory unit, road and area for cane plantation with the total area of 10,000 hectares covering the period of 40 years which can be extended for another 20 years if approved by the counter party. As at October 31, 2015 and 2014, the subsidiary has already utilized the area of 5,053.61 hectares at the rental rate of the signing of the agreement.
- 29.8.2 Koh Kong Plantation Company Limited and Koh Kong Sugar Industry Co., Ltd. (subsidiaries) entered into the Memorandum of Understanding (MOU) with the Government of Kingdom of Cambodia (lessor) on August 2, 2006 in order to build a sugar mill factory and receive concession land for cane plantation in Koh Kong Province, Kingdom of Cambodia with total area of 19,100 hectares covering period of 90 years and the rental price has a grace period of the first 4 years, afterwards, the rate of rental price of USD 1 - 4 per hectare per annum. As at October 31, 2015 and 2014, the subsidiaries have already utilized the area of 10,481.76 hectares. Buildings and structure and building under construction of subsidiaries, are located on the concession land which the ownership will be transferred to the lessor when the agreements are expired (see Note 14).
- 29.8.3 A subsidiary in the Kingdom of Cambodia entered into two long-term land lease agreements with a third party to build port and land awaiting development dated June 1, 2007 and May 21, 2007, respectively. The contractual term is 90 years for both agreements. The subsidiary has already paid the entire advance lease fee at USD 476,953. As at October 31, 2015 and 2014, the balances of the advance lease fee paid are USD 0.44 million.

30. FINANCIAL INSTRUMENTS

Risk management policies

The Company and its subsidiaries possess risks regarding to the change of market interest rate, market currency exchange rate, rates of the related goods' price changing and from non-performance of contractual obligations by counter parties. The Company and its subsidiaries will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Company and its subsidiaries do not have any policy to hold or issue any financial instruments for speculation or for trading.

Risk on interest rate

Risk on interest rates is derived from the fluctuation of the market interest rate in the future, which will affect upon the Company and its subsidiaries' operating results and cash flows. However, the Group manage risk on interest rate by using various methods including loans allocation to gain appropriate balance between fixed and floating interest rate loans and compatible to different activities of the Group as at October 31, with the details mainly as follows:

2015

UNIT : THOUSAND BAHT

	Consolidated Financial Statements				
	Fixed Interest Rate		Floating		Total
	Within	More than	More than	Interest Rate	
	1 year	1 year	5 year		
		to 5 years			
Financial Assets					
Saving accounts deposits	-	-	-	231,911	231,911
Fixed account deposits	10,023	-	-	-	10,023
Loans for cane plantation development	227,492	401,276	18,646	829	648,243
Short-term loans to farmers	742,566	13,751	52,552	-	808,869
Short-term loans to others	60,000	60,000	-	-	120,000
Other long-term investments	6,817	3,571	-	-	10,388
Total	1,046,898	478,598	18,646	285,292	1,829,434
Financial Liabilities					
Short-term borrowings from financial institutions	3,699,445	-	-	193,296	3,892,741
Other short-term borrowings	897,002	-	-	-	897,002
Long-term debentures	999,909	9,989,251	-	-	10,989,160
Long-term borrowings	1,111,593	3,665,467	-	1,862,583	6,639,643
Liabilities from long-term lease agreements	6,965	2,093	-	-	9,058
Total	6,714,914	13,656,811	-	2,055,879	22,427,604

2014

UNIT : THOUSAND BAHT

	Consolidated Financial Statements				Total
	Fixed Interest Rate			Floating	
	Within	More than	More than	Interest Rate	
	1 year	1 year	5 year		
		to 5 years			
Financial Assets					
Saving accounts deposits	-	-	368	210,615	210,983
Fixed account deposits	10,023	-	-	-	10,023
Loans for cane plantation development	223,357	427,413	17,165	2,548	670,483
Short-term loans to farmers and others	950,332	-	-	58,355	1,008,686
Other long-term investments	-	18,836	-	-	18,836
Total	1,183,712	446,249	17,533	271,518	1,919,011
Financial Liabilities					
Short-term borrowings from financial institutions	6,051,853	-	-	597,642	6,649,495
Other short-term borrowings	1,393,777	-	-	-	1,393,777
Long-term debentures	1,499,889	5,992,853	-	-	7,492,742
Long-term borrowings	911,393	2,177,160	-	3,396,215	6,484,768
Liabilities from long-term lease agreements	3,555	8,003	-	-	11,558
Total	9,860,467	8,178,016	-	3,993,857	22,032,340

Risk on exchange rates

Risk on exchange rates for the Company and its subsidiaries are mainly involved with sales of goods and imports of machineries which are transactions denominated in foreign currencies. As at October 31, the significant assets and liabilities denominated in foreign currencies of the Company and its subsidiaries which the risk on exchange rates have not been hedged are as follows:

UNIT : MILLION

Currency	Consolidated Financial Statements				Separate Financial Statements			
	2015		2014		2015		2014	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
USD	24.44	60.22	38.75	755.54	10.31	-	19.69	-
YEN	-	2.50	-	6.51	-	-	-	-
RIEL	634.81	137.43	677.74	178.82	-	-	-	-
LAK	131.33	384.19	181.58	-	-	-	-	-

As at October 31, the Company and its subsidiaries entered into forward contracts and cross currency swap with commercial banks to hedge against exchange rate risk from receipts and debt repayments denominated in foreign currencies. The Company and its subsidiaries have not recorded such financial liabilities in the consolidated and separate financial statements.

The open forward contracts and cross currency swap, which are due between 1 – 3 years, are as follows:

UNIT : MILLION

Currency	Amount fixed in contract				Currency	Amount fixed in contract			
	Consolidated		Separate			Consolidated		Separate	
	Financial Statements		Financial Statements			Financial Statements		Financial Statements	
	2015	2014	2015	2014		2015	2014	2015	2014
USD	37.47	68.05	27.74	-	THB	1,343.52	2,246.26	1,000.00	-
EURO	0.07	-	-	-	THB	2.35	-	-	-

Net fair values of financial derivatives of the Company and its subsidiaries as at October 31, are as follows:

UNIT : MILLION BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2015	2014	2015	2014
Net Gain (loss) on fair values of contracts	19.49	(1.88)	(16.76)	-

Risk on fluctuation of sugar and cane prices

The cane and sugar industry in Thailand is under the benefit sharing system between the cane farmers and the sugar mill factories, the selling price of sugar under Quota B and the exchange rate of the actual sales made by Thailand Cane and Sugar Corporation (TCSC) have significant effect on cane price which is major cost of sugar production. To manage risk on the fluctuation of gross profit, the Company and its subsidiaries have hedged the risk by entering into commodity swap contracts for the periods not over 2 years. Gain or loss is recognized in the statement of income when the contracts are settled or expired.

For the years ended October 31, the Company and its subsidiaries have accounted for transactions in the financial statements as follows:

UNIT : MILLION BAHT

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2015	2014	2015	2014
Gain on investments in derivative instruments	170.67	57.06	100.27	36.74

Net fair values of financial derivatives as at October 31, of the Company and its subsidiaries are as follows:

UNIT : MILLION BAHT

	Currency	Consolidated/Separate	
		Financial Statements	
		2015	2014
Net fair values for commodity swap contracts	USD	(0.18)	2.63
	THB	(1.33)	5.31

The fair values of the commodity swap contracts calculated using raw sugar price and white sugar price from The Exchange and Bloomberg at the statements of financial position dates as though the Company and its subsidiaries have settled those contracts on the statement of financial position dates.

Credit risk

The Company and its subsidiaries have risk on credit regarding trade accounts receivable, farmer accounts receivable, loans to farmers, loans to related parties and other receivables. However, the Company and its subsidiaries have many receivables and have conservative credit policy including allowance for doubtful accounts. In addition, the Company and its subsidiaries request farmers to pledge land or other assets as collateral or guarantee by individual. It believes that the risk of default by receivables is low.

31. PROVIDENT FUND

The Company and twelve subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. For the years ended October 31, 2015 and 2014, the group companies and their employees monthly contribute to the fund at the rate of 3% – 5% of basic salary and rate 2% of basic salary respectively. The fund, which is managed by Ayudhya Fund Management Co., Ltd. and Siam Commercial Fund Management Co., Ltd., will pay the employees upon their termination in accordance with the fund rules. For the years ended October 31, 2015 and 2014, the Company and its subsidiaries contributed in amounts of Baht 26.20 million and Baht 13.22 million, respectively, in the consolidated financial statements and the Company contributed in amounts of Baht 10.65 million and Baht 5.22 million, respectively, in the separate financial statements.

32. PRIVILEGES OF BENEFITS FROM PROMOTED INVESTMENT

Four domestic subsidiaries received 9 investment promotion certificates from the Board of Investment of Thailand (BOI) under the Investment Promotion Act B.E. 2520. The benefits includes the exemption from income tax for profit for the year derived from operations of promoted businesses for the period of 8 years for 8 certificates and for the period of 5 years for 1 certificate, commencing from the date of first receiving operation revenue of promoted businesses. The details are as follows:

Certificate No.	SectionsDate	Promoted	activity types	Commenced date of revenues generated	Expire date
1929(2)/2547	25, 26, 28, 31, 34, 35(3), 36(1), and 36(2)	November 2, 2004	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste	January 8, 2006	January 7, 2014
			- Production of biological fertilizers or organic fertilizers	March 30, 2006	January 7, 2014
1062(2)/2552	25, 26, 28, 31, 34, 35(3), 36(1), and 36(2)	January 30, 2009	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste	Income not yet derived	
			Promoted activity types		
			Commenced date Privilege		
1063(2)/2552	25, 26, 28, 31, 34, 35(3), 36(1), and 36(2)	January 30, 2009	- Production of pure alcohol or fuel from agricultural products, including scraps, garbage or waste	December 6, 2011	December 31, 2019
			- Production of biological fertilizers or organic fertilizers	December 30, 2011	December 31, 2019
			- Production of biological	February 29, 2012	December 31, 2019
2364(1)/2554	25, 26, 28, 31, 34, 35(1), 35(2), and 35(3)	September 20, 2011	- Production of biological	February 28, 2013	February 28, 2021

Certificate No.	SectionsDate	Promoted	activity types	Commenced date of revenues generated	Expire date
1258(2)/2548	25, 26, 28, 31(3), 31(4), 34, and 35(3)	March 29, 2005	- Production of electricity power and steams	December 22, 2006	December 21, 2014
1432(2)/2552	25, 26, 28, 31(1), 31(2), 31(3), 31(4), 34, 35(1), 35(2) and 35(3)	June 24, 2009	- Production of electricity, power steams and water for manufacture	November 30, 2010	November 29, 2018
1349(2)/2556	25 26 28 31(1) 31(2) 31(3) 31(4) 34 35(1) 35(2) and 35(3)	Mach 15, 2013	- Production of electricity, power steams and water for manufacture	January 21, 2014	January 20, 2022
1657(2)/2552	25, 26, 28, 31(1), 31(3), 31(4) and 34	August 25, 2009	- Production of pure vegetable oil and /or semi-pure vegetable oil	June 5, 2010	June 4, 2018
58-2293-1-001-0	25, 26, 28, 31(1), 31(4) and 34	August 31, 2015	- Transfer of goods for cargo ship	Income not yet derived	

Furthermore, in accordance with the Promotion Certificate No. 2364(1)/2554, 1432(2)/2552, and 1349(2)2556 the subsidiary receives the privilege in 50% income tax reduction of the regular rate for the period of 5 years commencing from the expiration date of income tax exemption and under all Promotion Certificates, the subsidiary is granted privilege for exemption of import duties for approved machinery and exemption from income tax on dividend on profit from promoted businesses during the period in which the Company is granted exemption from corporate income tax.

Three foreign subsidiaries are granted by foreign investment certificate and tax privilege from Lao People's Democratic Republic (the 1st Certificate) and from Kingdom of Cambodia (the 2nd – 4th Certificates) which the details are as follows:

- 1) Foreign Investment Certificate No. 017-06/ Khor Lor Tor includes tax privilege for exemption from income tax for 5 years from the date of first receiving revenue from sales of sugar, thereafter, the subsidiary shall pay income tax at the rate of 20%. The revenue is first derived on July 21, 2010 and will expire on July 20, 2015.
- 2) Foreign Investment Certificate No. 4420/06 Ghor. Wor. Ghor. dated December 15, 2006 issued by the Council for the Development of Cambodia, the subsidiary is granted by tax privilege for exemption from import the duties for machinery for manufacturing and construction materials.
- 3) Foreign Investment Certificate No. 1641/09 Ghor. Wor. Ghor. and No. 1642/09 Ghor. Wor. Ghor. dated July 28, 2009 issued by the Council for the Development of Cambodia, the subsidiary is granted tax privilege for exemption from income tax for the period of 8 years and 9 years, respectively, including priority period commencing from the period when subsidiary is operated (year 2006).
- 4) Tax Exemption Certificate for agriculture-industrial (sugar cane) No. 2299 dated April 12, 2012 issued by the Ministry of Economy and Finance, Cambodia, grants the privilege to charge value-added tax at 0% for sales of sugar cane to manufacture sugar for export. This certificate is valid for the period of 1 year from July 29, 2010 to July 31, 2011. The subsidiary is currently waiting for the renewed certificate covering the period from last expiration date to current fiscal year which it has submitted for.

33. RECLASSIFICATIONS

Certain reclassifications have been made to the consolidated and separate statements of income for the year ended October 31, 2014 have been reclassified to conform to the classifications used in the consolidated and separate statements of income for the year ended October 31, 2015, as follows:

UNIT : THOUSAND BAHT			
Previous presentation	Current presentation	Consolidated Financial Statements	Separated Financial Statements
Cost of the sales of goods	Administrative expenses	82,640	33,367
Administrative expenses	Loss on exchange rate	33,752	-

Dividends received from a subsidiary in the separate statement of cash flows for the year ended October 31, 2014 has been reclassified to conform to the classification used in the separate statement of cash flows for the year ended October 31, 2015, as follows:

Separate statement of cash flow

UNIT : THOUSAND BAHT		
Previous presentation	Current presentation	Amount
Increase in trade and other receivables	Cash received from dividends of subsidiaries and other companies	8,320
Increase in short-term borrowings	Cash received from dividends of subsidiaries and other companies	479,983

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of Directors on December 22, 2015.



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